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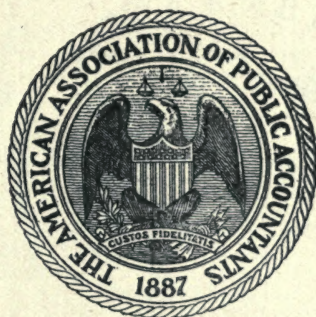


BASKINS & SELLS

THE AMERICAN ASSOCIATION  
OF PUBLIC ACCOUNTANTS

TWENTY-THIRD  
ANNIVERSARY

YEAR-BOOK



[Incorporated under the Laws and Statutes of the State of New York]

Officers, Committees, Trustees, and Mem-  
bers. Proceedings of the Annual Meeting  
at the Hotel Astor, New York City,  
October 17, 18, 19, and 20, 1910





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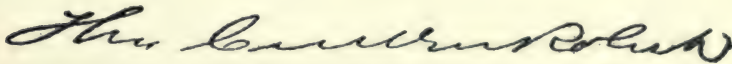
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## HASKINS & SELLS

### Introductory Note

Every effort was made by the officers of the Association to make the annual convention attractive, and to that end no pains were spared at the Autumn meeting, when the New York State Society of Certified Public Accountants acted as hosts. Papers on edifying professional subjects were read and debated. The Association is gaining in membership and in influence, and its records in the present volume are now submitted with the full assurance of a hearty reception being given to them by members, as well as by other readers in sympathy with the objects and aims of the Association.



*Secretary.*

Secretary's Office in New York, 56-58 Pine Street.  
Telephone 4264 John.

January, 1911.



## Certificate of Incorporation.

STATE OF NEW YORK,  
City and County of New York, } ss.:

Be it known, that we:

ROBERT L. FABIAN of New York City,  
JAMES YALDEN, "  
WM. CALHOUN, "  
WALTER H. P. VEYSEY, "  
MARK C. MIRICK, "  
CHARLES H. W. SIBLEY, "  
RODNEY McLAUGHLIN of Boston, Mass.  
JOHN HEINS of Philadelphia, Pa.,

being persons of full age and citizens of the United States, and the majority being also citizens of the State of New York, desiring to associate ourselves for social and benefit purposes, do hereby certify in writing, as follows, to wit:

*First.*—That the name or title by which such society shall be known in law is

"THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS."

*Second.*—The particular business and object of such society is to associate into a society or guild for their mutual benefit and advantage the best and most capable public accountants practicing in the United States; and through such association to elevate the profession of public accountants as a whole, and to promote the efficiency and usefulness of members of such society, by compelling the observance of strict rules of conduct as a condition of membership and by establishing a high standard of professional attainments through general education and knowledge and otherwise; and to transact such business as may be necessary and incident to the establishment and conduct of an association for the foregoing purpose.

*Third.*—The number of trustees, directors or managers to manage the same shall be eight, and the name of the trustees, directors or managers for the first year of its existence are as follows, viz.:

Robert L. Fabian, James Yalden, Wm. Calhoun, Walter H. P. Veysey, Mark C. Mirick, Charles H. W. Sibley, Rodney McLaughlin and John Heins.

*Fourth.*—The district in which the principal office of such company or association shall be located is in the City, County and State of New York.



## *Certificate of Incorporation*

In testimony whereof we have made and signed the foregoing certificate this twentieth day of August, in the year one thousand eight hundred and eighty-seven.

(Signed) J. YALDEN,  
JOHN HEINS,  
WALTER H. P. VEYSEY,  
M. C. MIRICK,  
C. H. W. SIBLEY,  
ROBT. L. FABIAN,  
WM. CALHOUN,  
RODNEY McLAUGHLIN.

STATE OF NEW YORK, }  
City and County of New York, } ss.:

I, Charles Donohue, Justice of the Supreme Court of the State of New York, certify that the foregoing certificate has been submitted to, and examined by me, and is properly drawn and signed, and that the same is in conformity with the constitution and laws of this state, and that the purpose for which the society or club is to be incorporated is not repugnant to any statute of this state, or prohibited thereby; and the same is hereby approved and the filing of this certificate consented to.

In testimony whereof, I have hereunto set my hand this 20th day of September, A. D. 1887.

(Signed) C. DONOHUE.

STATE OF NEW YORK, }  
City and County of New York, } ss.:

I, James A. Flack, clerk of the said city and county, and clerk of the Supreme Court of the said state for said county, do certify that I have compared the preceding with the original certificate of incorporation of The American Association of Public Accountants on file in my office, and that the same is a correct duplicate therefrom, and of the whole of such original.

Indorsed, filed and recorded, 20th September, 1887.

In witness whereof, I have hereunto subscribed my name and affixed my official seal, this 20th day of September, 1887.

(Signed) JAMES A. FLACK,  
*Clerk.*

[SEAL.]

STATE OF NEW YORK, }  
Office of the Secretary of State, } ss.:

I have compared the preceding with the duplicate original certificate of incorporation of The American Association of Public Accountants, with acknowledgments thereto annexed, filed and recorded in this office on the twenty-second day of September, 1887, and do hereby certify the same to be a correct transcript therefrom, and of the whole of the said duplicate original.



## *American Association Year-Book*

Witness my hand and the seal of the office of the Secretary of State, at the City of Albany, this 22d day of September, one thousand eight hundred and eighty-seven.

[L. s.]

(Signed) FREDERICK COOK,  
*Secretary of State.*

---

### THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS. PAST PRESIDENTS.

*James Yalden .....	1888, 1892
*John Heins .....	1889, 1890, 1891
Henry R. M. Cook .....	1893
Richard F. Stevens .....	1894, 1895, 1896
Frank Broaker .....	1897
W. Sanders Davies .....	1898
David Rollo .....	1899
Leonard H. Conant .....	1900, 1901
Ferdinand W. Lafrentz .....	1902, 1903
John R. Loomis .....	1904, 1905, 1906
Elijah W. Sells .....	1907, 1908
Joseph E. Sterrett .....	1909, 1910

\* Now deceased.



# The American Association of Public Accountants

List of Officers, Trustees and Committees.

1910-1911.

## OFFICERS.

*President*, EDWARD L. SUFFERN, C. P. A., 165 Broadway, New York  
*Secretary*, T. CULLEN ROBERTS, C. P. A., 56 Pine St., New York City  
*Treasurer*, H. A. KELLER, C. P. A., Hayden Building, Columbus, Ohio

Vice-Presidents:

*California State Society of Certified Public Accountants*,  
 GEO. R. WEBSTER, C. P. A., Alaska-Commercial Bldg., San Francisco.  
*Colorado Society of Certified Public Accountants, The, Inc.*,  
 J. H. KINGWILL, C. P. A., 1654 Broadway, Denver  
*Connecticut Society of Certified Public Accountants*,  
 FREDK. W. CHILDS, C. P. A., Greenwich  
*Georgia State Association of Public Accountants*,  
 A. J. HALTIWANGER, C. P. A., Candler Bldg., Atlanta  
*Illinois Society of Certified Public Accountants*,  
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*Kentucky Society of Public Accountants*,  
 W. S. PARKER, Walker Bldg., Louisville.  
*Louisiana, Certified Public Accountants of*,  
 [In process of reorganization.]  
*Maryland Association of Certified Public Accountants*,  
 FERDINAND L. BRAUNS, C. P. A., 412 W. Fayette St., Baltimore.  
*Massachusetts, Incorporated Public Accountants of*,  
 CHARLES H. TUTTLE, C. P. A., 84 State St., Boston  
*Michigan Association of Certified Public Accountants*,  
 NORVAL A. HAWKINS, C. P. A., Majestic Bldg., Detroit.  
*Minnesota Society of Public Accountants*,  
 HERBERT M. TEMPLE, C. P. A., Germania Life Bldg., St. Paul.  
*Missouri Society of Certified Public Accountants*,  
 H. T. WESTERMANN, C. P. A., Chemical Bldg., St. Louis  
*Montana State Society of Public Accountants*,  
 DONALD ARTHUR, C. P. A., P. O. Box 597, Butte  
*New Jersey, Certified Public Accountants of the State of*,  
 JOHN E. COOPER, C. P. A., 205 Union Ave., Cranford  
*New York State Society of Certified Public Accountants*,  
 HENRY R. M. COOK, C. P. A., 59th St. and Park Ave., New York City  
*Ohio Society of Certified Public Accountants, The*,  
 E. S. THOMAS, C. P. A., Union Trust Bldg., Cincinnati.  
*Oregon State Society of Public Accountants*,  
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*Pennsylvania Institute of Certified Public Accountants*,  
 JAMES W. FERNLEY, C. P. A., 907 Betz Bldg., Philadelphia  
*Rhode Island Society of Certified Public Accountants*,  
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*Tennessee Society of Public Accountants*,  
 HOMER K. JONES, 1217 Tennessee Trust Bldg., Memphis  
*Virginia Society of Public Accountants, Inc.*,  
 HENRY B. BOUDAR, C. P. A., 1309 Grove Ave., Richmond  
*Washington Society of Certified Public Accountants*,  
 GEORGE SHEDDEN, C. P. A., Savage-Scofield Bldg., Tacoma  
*Wisconsin Association of Public Accountants*,  
 HENRY SCHNEIDER, 612 Railway Exchange, Milwaukee

## AUDITORS.

NORMAN McLAREN, C. P. A., California. LESTER HERRICK, C. P. A., California.

# American Association Year-Book

## TRUSTEES.

ES O. HALL, C. P. A. ....	Maryland	} For One Year.
T H. MONTGOMERY, C. P. A. ....	Pennsylvania	
SELLS, C. P. A. ....	New York	
A. COOPER, C. P. A. ....	Illinois	} For Two Years.
NDERS DAVIES, C. P. A. ....	New Jersey	
WEISS, C. P. A. ....	New York	
STERRETT, C. P. A. ....	Pennsylvania	} For Three Years.
M. GOODLOE, C. P. A. ....	Ohio	
B. GEIJSBEEK, C. P. A. ....	Colorado	

## STANDING COMMITTEES.

<b>EXECUTIVE:</b>	
ne President, Chairman. ....	New York
ne Treasurer. ....	Ohio
W. Sells. ....	New York
R. M. Cook. ....	New York
W. Fernley. ....	Pennsylvania
E. Sterrett. ....	Pennsylvania
F. Weiss. ....	New York
<b>SHIP:</b>	
. Sanders Davies, Chairman. ....	New York
redk. Willis Child. ....	Connecticut
exander Aderer. ....	New York
<b>WS:</b>	
hn Alexander Cooper, Chairman. ....	Illinois
L. Grey. ....	Missouri
A. Chase. ....	Illinois
<b>AL MEETING:</b>	
George R. Webster, Chairman. ....	California
orman McLaren. ....	California
. R. Mackenzie. ....	Oregon
<b>LEGISLATION:</b>	
S. M. Goodloe, Chairman. ....	Ohio
F. McWhorter. ....	New York
omer K. Jones. ....	Tennessee

## FEDERAL LEGISLATION:

Robert H. Montgomery, Chairman. .	Pennsylv.
Perley Morse. ....	New York
J. Porter Joplin. ....	Illinois

## JOURNAL:

A. Lowes Dickinson, Chairman. ....	New York
F. F. White. ....	New York
Herbert G. Stockwell. ....	Pennsylvania

## EDUCATION:

J. B. Geijsbeek, Chairman. ....	Colorado
Carl H. Nau. ....	Ohio
Waldron H. Rand. ....	Massachusetts

## BUDGET:

John R. Loomis, Chairman. ....	New York
H. B. Boudar. ....	Virginia
E. G. Shorrock. ....	Washington

## ARBITRATION:

A. W. Teele, Chairman. ....	New York
Joel Hunter. ....	Georgia
Fermor J. Spencer. ....	Colorado

## SPECIAL COMMITTEES.

### ARD SCHEDULES FOR UNIFORM REPORTS OF MUNICIPAL INDUSTRIES AND PUBLIC SERV- ICE CORPORATIONS:

arvey S. Chase, Chairman. ....	Massachusetts
H. Conant. ....	New York
. W. Wilmot. ....	New York
erdinand L. Brauns. ....	Maryland
H. Kauffman. ....	Ohio
Newton Gunn. ....	Connecticut

### NATIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS:

C. N. Vollum, Chairman. ....	Pennsylvania
W. F. Weiss. ....	New York
J. R. Loomis. ....	New York
W. Sanders Davies. ....	New Jersey
Adam A. Ross. ....	Pennsylvania

### PROFESSIONAL ETHICS:

William M. Lybrand, Chairman. .	Pennsylvania
Frederick C. Manvel. ....	New York
Louis G. Peloubet. ....	Montana

There is a provision for an Arbitration Board, which will be appointed as occasion may arise.



## HASKINS & SELLS

### PRESIDENTS, SECRETARIES, and TREASURERS

of Constituent State Societies of Accountants, and their addresses.

Also year when State Legislation recognizing the Accountancy profession was passed in their respective States.

- 1896 New York State Society of Certified Public Accountants,  
Apr. 17 *President*—HENRY R. M. COOK, C.P.A., 59th St. and Park Ave.,  
New York City.  
*Secretary*—SAMUEL D. PATTERSON, C.P.A., 141 Broadway, New  
York City.  
*Treasurer*—HOWARD B. COOK, C.P.A., 30 Broad St., New York  
City.
- 1899 Pennsylvania Institute of Certified Public Accountants,  
Mar. 29 *President*—JAS. W. FERNLEY, C.P.A., 907 Betz Bldg., Philadel-  
phia.  
*Secretary*—JOHN R. LYNN, C.P.A., 925 Chestnut St., Philadel-  
phia.  
*Treasurer*—D. VINCENT JOHNSTON, C.P.A., 1612 Real Estate  
Trust Bldg., Philadelphia.
- 1900 Maryland Association of Certified Public Accountants,  
Apr. 10 *President*—FERDINAND L. BRAUNS, C.P.A., 412 W. Fayette St.,  
Baltimore.  
*Secretary*—ELMER L. HATTER, C.P.A., 1027 Calvert Bldg., Bal-  
timore.  
*Treasurer*—CHARLES R. DITTMAN, 115 E. Lombard St., Balti-  
more.
- 1901 California State Society of Certified Public Accountants,  
Mar. 23 *President*—GEORGE R. WEBSTER, C.P.A., Alaska-Commercial  
Bldg., San Francisco.  
*Secretary* } JOHN F. FORBES, C.P.A., Crocker Bldg., San Fran-  
*Treasurer* } cisco.
- 1903 Washington Society of Certified Public Accountants,  
Mar. 12 *President*—GEORGE SHEDDEN, C.P.A., Savage-Scofield Bldg.,  
Tacoma.  
*Secretary* } R. D. WHITE, C.P.A., 1136 Henny Bldg., Seattle.  
*Treasurer* }
- 1903 Illinois Society of Certified Public Accountants,  
July 1 *President*—ERNEST RECKITT, C.P.A., 802 Marquette Bldg.,  
Chicago.  
*Secretary* } HENRY J. JACKSON, C.P.A., 115 Adams St., Chicago.  
*Treasurer* }

## *American Association Year-Book*

- 1904 New Jersey, Society of Certified Public Accountants of the State of,  
Apr. 5 *President*—JOHN E. COOPER, C.P.A., 205 Union Ave., Cranford.  
*Secretary*—FRANK G. DuBOIS, C.P.A., Union Bldg., Newark.  
*Treasurer*—EDWIN G. WOODLING, C.P.A., 302 Prospect St., Cranford.
- 1905 Michigan Association of Certified Public Accountants,  
May 4 *President*—NORVAL A. HAWKINS, C.P.A., Majestic Bldg., Detroit.  
*Secretary*—FRED. T. GIES, C.P.A., Majestic Bldg., Detroit.  
*Treasurer*—HARRY RUPLE, C.P.A., Bronson.
- 1906 Rhode Island Society of Certified Public Accountants,  
Apr. 20 *President*—GEORGE R. LAWTON, C.P.A., Fall River, Mass.  
*Secretary* } CHARLES S. JENCKES, C.P.A., Providence, R. I.  
*Treasurer* }
- 1907 Colorado Society of Certified Public Accountants, Inc.,  
Mar. 27 *President*—J. H. KINGWILL, C.P.A., 1654 Broadway, Denver.  
*Secretary*—PAGE LAWRENCE, C.P.A., 1638 Welton St., Denver.  
*Treasurer*—JASPER A. WRITER, C.P.A., Boston Bldg., Denver.
- 1907 Connecticut Society of Certified Public Accountants,  
July 11 *President*—FREDERICK W. CHILD, C.P.A., Greenwich.  
*Secretary*—WILLIAM P. LANDON, C.P.A., 650 Albany Ave., Hartford.  
*Treasurer*—CHARLES C. WILSON, C.P.A., 146 Fairview Ave., Bridgeport.
- 1908 Georgia State Association of Public Accountants,  
Aug. 17 *President*—A. J. HALTIWANGER, C.P.A., Candler Bldg., Atlanta.  
*Secretary*—JOEL HUNTER, C.P.A., Empire Bldg., Atlanta.  
*Treasurer*—C. B. BIDWELL, C.P.A., 4th Nat. Bank Bldg., Atlanta.
- 1908 Ohio Society of Certified Public Accountants,  
May 9 *President*—E. S. THOMAS, C.P.A., Union Trust Bldg., Cincinnati.  
*Secretary* } J. H. KAUFFMAN, C.P.A., Central Savings Bank  
*Treasurer* } Bldg., Canton.
- 1908 Louisiana, Certified Public Accountants of the State of,  
1909 Montana State Society of Public Accountants,  
Mar. 6 *President*—DONALD ARTHUR, C.P.A., Box 597, Butte.  
*Secretary* } JOHN CRAWFORD, C.P.A., 404 W. Granite St., Butte.  
*Treasurer* }
- 1909 Minnesota Society of Public Accountants,  
Apr. 22 *President*—H. M. TEMPLE, C.P.A., Germania Life Bldg., St. Paul.  
*Secretary*—GILBERT B. GREEN, C.P.A., 611 Metropolitan Bldg., Minneapolis.  
*Treasurer*—NATHANIEL B. HINCKLEY, C.P.A., Endicott Bldg., St. Paul.



## *Presidents, Secretaries, and Treasurers*

1909 Massachusetts, Incorporated Public Accountants of,  
May 17 *President*—CHAS. H. TUTTLE, C.P.A., 84 State St., Boston.  
*Secretary*—WALDRON H. RAND, C.P.A., 59 Temple Pl., Boston.  
*Treasurer*—HERBERT F. FRENCH, C.P.A., 166 Essex St., Boston.

1909 Missouri Society of Certified Public Accountants,  
Aug. 15 *President*—FRANCIS A. WRIGHT, C.P.A., American Bank Bldg.,  
Kansas City.  
*Secretary*—DAVID L. GREY, C.P.A., 1320 3d Natl. Bank Bldg.,  
St. Louis.  
*Treasurer*—R. W. BOISSELIER, C.P.A., Missouri Trust Bldg.,  
St. Louis.

1910 Virginia Society of Public Accountants, Inc.,  
June 15 *President*—HENRY B. BOUDAR, C.P.A., 1309 Grove Ave., Rich-  
mond.  
*Secretary*—E. A. BARBER, JR., C.P.A., 215 Mutual Bldg., Rich-  
mond.  
*Treasurer*—W. McK. EVANS, C.P.A., 1218 Mutual Bldg., Rich-  
mond.

Legislation pending (or not yet secured) in the following States, where Accountancy  
Societies exist.

Kentucky Society of Public Accountants,  
*President*—W. S. PARKER, Walker Bldg., Louisville.  
*Secretary*—C. W. BANTA, Columbia Bldg., Louisville.  
*Treasurer*—JOHN S. WOODS, Franklin Bank, Louisville.

Oregon State Society of Public Accountants,  
*President*—R. W. MACKENZIE, C.P.A., Worcester Block, Portland.  
*Secretary* }  
*Treasurer* } J. Y. RICHARDSON, 912 Lewis Bldg., Portland.

Tennessee Society of Public Accountants,  
*President*—HOMER K. JONES, 1217 Tennessee Trust Bldg., Memphis.  
*Secretary*—WILL. TAYLOR WATSON, 1391 Madison Ave., Memphis.  
*Treasurer*—ERNEST F. LATHAM, 526 Goodwyn Institute, Memphis.

Wisconsin Association of Public Accountants,  
*President*—HENRY SCHNEIDER, 612 Railway Exchange, Milwaukee.  
*Secretary* }  
*Treasurer* } SAMUEL S. WEIL, 612 Railway Exchange, Milwaukee.

## MEMBERS

Those marked with an asterisk are Certified Public Accountants.

### FELLOWS

#### FELLOWS at LARGE—(Original).

*ADERER, ALEXANDER.....	225 5th Ave., New York City
*ARCHER, JOHN P.....	225 5th Ave., New York City
BABCOCK, H. N.....	309 McBride St., Syracuse, N. Y.
*BALLINGALL, PETER.....	Drexel Bldg., Philadelphia, Pa.
*BAYNE, ROBERT.....	34 Nassau St., New York City
BOURNE, CHAS. G.....	52 Broadway, New York City
*BROAKER, FRANK.....	42 W. 24th St., New York City
*BROWN, ROBERT R.....	100 Broadway, New York City
*CAMPBELL, HUDSON.....	39 Cortlandt St., New York City
*CLARK, THOS. R.....	49 Wall St., New York City
*CLARKE, ANDREW A.....	10 Wall St., New York City
*COCHEU, THEO. JR.....	100 Broadway, New York City
*CONANT, LEONARD H.....	30 Broad St., New York City
*CORWIN, HAMILTON S.....	30 Broad St., New York City
*DECKER, HIRAM E.....	205 La Salle St., Chicago, Ill.
*DIXCY, THOS. BIRD.....	30 Church St., New York City
DOUGLAS, HARRY J.....	Claus Spreckels Bldg., San Francisco
DREYER, RUDOLPH H.....	P. O. Box 1101, San Diego, Cal.
DUNCAN, ERNEST A.....	Victoria, B. C.
*FALLER, L. V.....	81 Mountain Way, Rutherford, N. J.
*FERO, DEROT SMITH.....	30 Broad St., New York City
GIBBS, WM. E.....	Westfield, Mass.
*GIES, FRED. THEO.....	723 Majestic Bldg., Detroit, Mich.
GREET, R. DOUGLAS.....	Old South Bldg., Boston, Mass.
*GUNNELL, WM. J.....	80 Dun Bldg., Buffalo, N. Y.
*HARCOURT, VIVIAN.....	Edificio La Mutua, No. 522 Mexico, D. F.
*HAWKINS, NORVAL A.....	723 Majestic Bldg., Detroit, Mich.
*HERRICK, LESTER.....	Merchants' Exchange Bldg., San Francisco
*HIGHLEY, CHAS. H.....	Augusta, Ga.
*HUTCHINSON, THOS. G.....	Dyal-Upchurch Bldg., Jacksonville, Fla.
*JENCKES, CHAS. S.....	810 Industrial Trust Bldg., Providence, R. I.
*KERR, J. C.....	141 Broadway, New York City
*LAFRENTZ, F. W.....	100 Broadway, New York City
*LAWTON, GEO. R.....	Box 159, Fall River, Mass.
*LEIDERSDORF, S. D.....	565 Broadway, New York City
*LEITH, JOHN.....	159 La Salle St., Chicago, Ill.
*LITTLE, ALBERT E.....	2 Rector St., New York City
*LITTLE, G. ELLIOTTE.....	2 Rector St., New York City



## *Members*

LOBB, H. W.....	1211 Claus Spreckels Bldg., San Francisco, Cal.
*LOOMIS, J. R.....	165 Broadway, New York City
*LUDLAM, CHAS. S.....	30 Broad St., New York City
*MACINNES, DUNCAN.....	320 Broadway, New York City
*MACRAE, FARQUHAR J.....	68 William St., New York City
*McCULLOH, CHAS. S.....	43 Exchange Pl., New York City
*MCGIBBON, BROWNELL.....	44 Pearl St., New York City
*MASON, JARVIS W.....	100 Broadway, New York City
*NILES, HENRY A.....	111 Broadway, New York City
*PHELPS, CHAS. D.....	143 Liberty St., New York City
*PLANT, W. E.....	1419 Pierce Bldg., St. Louis, Mo.
RAUDENBUSH, J. K.....	239 Cumberland St., Lebanon, Pa.
*ROBERTS, T. CULLEN.....	56 Pine St., New York City
*ROLLO, DAVID.....	Betts Brewery, Philadelphia, Pa.
*RUCKER, R. H.....	27 Pine St., New York City
*SELLS, ELIJAH W.....	30 Broad St., New York City
*SMITH, ARTHUR W.....	25 Broad St., New York City
*SMITH, CHAS. B.....	45 Broadway, New York City
*STEVENSON, CHAS. C.....	31 Nassau St., New York City
*TEICHMANN, MAX.....	800 Equitable Bldg., Baltimore, Md.
*VAUGHAN, JOHN.....	413 Fourth Ave., Pittsburgh, Pa.
*WALTER, A. PERCY.....	49 Wall St., New York City
WALTERS, CHAS. W.....	Drexel Bldg., Philadelphia, Pa.
*WATSON, WM. A.....	9 Richards St., Brooklyn, N. Y.
*WEISS, WM. F.....	170 Broadway, New York City
WITTENBERG, FRANK.....	204 Louisiana St., Little Rock, Ark.
WOODWARD, R. G.....	25 Broad St., New York City
Total, 65.	

## FELLOWS at LARGE (Elected since Jan. 10, 1905).

AUSTIN, WM. GAINES.....	8 So. Bayou St., Mobile, Ala.
BLACK, GEO.....	318 Worcester Bldg., Portland, Ore.
*BURLINGAME, C. M.....	253 Broadway, New York City
*CANNON, THOS. CHAS.....	604 The Rookery, Spokane, Wash.
DIX, SAMUEL M.....	31 Nassau St., New York City
FISCHER, EMIL S.....	Tien-Tsin, North China
FOSTER, WILLIAM H.....	149 Broadway, New York City
*GUNN, J. NEWTON.....	43 Exchange Pl., New York City
HALL, F. N.....	146 Broadway, New York City
HARRIS, CHAS. G.....	Union Natl. Bank Bldg., Louisville, Ky.
HOGG, ALFRED W. D.....	37 Maiden Lane, New York City
JAMESON, CHAS. M.....	68 William St., New York City

## *American Association Year-Book*

*KENWORTHY, ARTHUR W.....	115	Broadway, New York City
LYNNE, WILLIAM C.....	80	Wall St., New York City
MACLEITCHIE, JOHN.....	42	Broadway, New York City
*MARWICK, JAMES.....	79	Wall St., New York City
*NASMYTH, CHAS. J.....	111	Broadway, New York City
*RICHARDS, WILLIS B.....	43	Exchange Pl., New York City
*ROSS, FREDERICK A.....	135	Temple St., Minneapolis, Minn.
SCHNEIDER, HENRY.....	612	Railway Exchange, Milwaukee, Wis.
SPENCER, ENOS.....	301	Union Natl. Bank Bldg., Louisville, Ky.
TURNER, THOS. E.....	301	Union Natl. Bank Bldg., Louisville, Ky.
WIGGINS, HORACE S.....		Lincoln, Neb.
YALDEN, PERCY A.....	32	Nassau St., New York City
Total, 24.		

### ASSOCIATES at LARGE (Original).

BULL, H. J.....	442	W. 124th St., New York City
COADE, WM. HENRY.....	60	Wall St., New York City
FORSDICK, CHAS. E.....	30	Broad St., New York City
*GAYNOR, PHILIP B.....	165	Broadway, New York City
GREACEN, ALBERT.....	30	Broad St., New York City
*HERINGTON, PERCY R.....	105	W. 40th St., New York City
JACOBSON, GUSTAVE A.....	932	Reed Pl., Chicago, Ill.
*JASPER, W. H.....	105	W. 40th St., New York City
KERR, JOHN F.....	100	Broadway, New York City
LATHAM, WILLIAM HENRY.....	543	W. 23d St., New York City
*LOVEJOY, ERNEST W.....	54	William St., New York City
MITCHELL, JOSIAH S.....	149	Broadway, New York City
ROBERTS, C. CULLEN.....	771	East Boulvd., Weehawken, N. J.
SANFORD, D. R.....	100	Broadway, New York City
SCOVILLE, C. E.....		Watertown, N. Y.
WEISS, CLEMENS.....		5th Ave. and 33d St., New York City
WEST, CHARLES.....		Connell Bldg., Scranton, Pa.
Total, 17.		

### ASSOCIATES at LARGE (Elected since Jan. 10, 1905).

AUSTIN, RALPH J.....		Apartado 1403, Mexico, D. F.
BOWMAN, ARCHIBALD.....	79	Wall St., New York City
BOYNTON, CHARLES EVERETT.....	190	Portland St., Portland, Me.
BUSH, GEO. E.....		W. 13th St., New York City



# HASKINS & SELLS

## Members

DOHERTY, JOHN.....	242 W. 132d St., New York City
FUCHS, A. W.....	531 W. 151st St., New York City
HART, PATRICK HENRY.....	261 Broadway, New York City
HOUGH, HARRY.....	54 William St., New York City
KERR, DAVID S.....	248 Fourth Ave., Pittsburgh, Pa.
LONGNECKER, CLARENCE.....	City Natl. Bank Bldg., El Paso, Tex.
RARESHIDE, SHEPARD.....	30 Broad St., New York City
RUSSELL, WM. F.....	Harrisburg, Pa.
THURSTON, THOMAS A.....	City Natl. Bank Bldg., El Paso, Tex.
VEAZEY, NORMAN E.....	Exchange Natl. Bank Bldg., Little Rock, Ark.
WILSON, JAMES MOORE.....	736 University Bldg., Syracuse, N. Y.
Total, 15.	

## SOCIETY MEMBERS

### *California State Society of Certified Public Accountants*

#### *Fellows:*

*AMRATH, J. W.....	Clunie Bldg., San Francisco
*ATKINSON, T. T.....	251 Kearney St., San Francisco
*BALLANTINE, W. D.....	268 Market St., San Francisco
*BARBER, J. W.....	816 Kohl Bldg., San Francisco
*BLACKMAN, W. R.....	206 Henne Bldg., Los Angeles
*BRACE, HERBERT M.....	Chronicle Bldg., San Francisco
*BULLOCK, E. B.....	357 Pine St., Alameda
*CARRUTHERS, C. P.....	Alaska-Coml. Bldg., San Francisco
*CHAMBERLAIN, C. P.....	310 California St., San Francisco
*COOPER, H. J.....	255 California St., San Francisco
*CORNELL, CHARLES E.....	35 Bella Vista Ave., Oakland
*CRAMER, W. H.....	268 Market St., San Francisco
*DE CLAIRMONT, R.....	126 W. 30th St., Los Angeles
*DOLGE, WILLIAM.....	255 California St., San Francisco
*FIELDS, J. L.....	Call Bldg., San Francisco
*FORBES, JOHN F.....	203 Crocker Bldg., San Francisco
*FOSTER, J. F.....	743 Pacific Bldg., San Francisco
*GOODE, P. G.....	519 California St., San Francisco
*GREENHOOD, L. H.....	Clunie Bldg., San Francisco
*HERRICK, ANSON.....	Merchants Exchange Bldg., San Francisco
*HENN, W. O.....	Crocker Bldg., San Francisco
*HERRICK, LESTER.....	Merchants Exchange Bldg., San Francisco
*JANSEN, F. BROMLEY.....	Clunie Bldg., San Francisco
*KLINK, GEORGE T.....	816 Kohl Bldg., San Francisco
*KNIGHT, ALLEN.....	502 California St., San Francisco
*LANGDON, W. G.....	New York City
*LAWS, HENRY.....	"La Solana," Pasadena, Calif.
*LAWSON, CHARLES H.....	Alaska Coml. Bldg., San Francisco
*MCLAREN, NORMAN.....	519 California St., San Francisco
*PEDDER, STANLEY.....	Coalinga, Calif.
*RAHILL, J. J.....	Cutter Laboratory, Berkeley
*ROBINSON, A. P.....	Merchants Exchange Bldg., San Francisco
*ROWE, C. V.....	268 Market St., San Francisco

## *American Association Year-Book*

*RUCKSTELL, J. R.....	Call Bldg., San Francisco
*SMYTH, J. F.....	49 Wall St., New York City
*WALKER, JOSHUA.....	255 California St., San Francisco
*WEBSTER, GEORGE R.....	Alaska-Coml. Bldg., San Francisco
*WENZELBURGER, A.....	268 Market St., San Francisco
Total, 38.	

### *Associates:*

*BROTHERTON, R. E.....	McCloud, Calif.
*COLE, R. W. E.....	326 Commercial St., Los Angeles
*MURPHY, CHARLES.....	Natoma, Calif.
*SUTTER, A.....	351 Maple St., San Francisco
Total, 4.	

### *Honorary Member:*

<i>Hatfield, Henry Rand</i> .....	University of California, Berkeley, Calif.
Total, 1.	

## *The Colorado Society of Certified Public Accountants, Incorporated*

### *Fellows:*

*ARTHUR, EDWIN F.....	707 Continental Bldg., Denver
*BAKER, JOHN H.....	Colo. Title & Trust Co. Bldg., Colo. Springs
*DEIDESHEIMER, F. W.....	18 Commercial Bldg., Denver
*DITTMAN, WILLIAM E.....	1st Natl. Bank Bldg., Boulder
*FINK, ELWOOD.....	204 Coronado Bldg., Denver
*FOWLIE, ALEX. E.....	Leadville, Col.
*GEIJSBEEK, JOHN B.....	806 Equitable Bldg., Denver
*HAMMA, MORTON M.....	Natl. Safety Vault Bldg., Denver
*HUMPHREYS, WILLIAM E.....	709 Colorado Bldg., Denver
*KINGWILL, JOSEPH H.....	1654 Broadway, Denver
*KERN, ETHELBERT L.....	1353 Delaware, Denver
*KRAUSE, GUSTAV.....	Box 123, Denver
*LAWRENCE, PAGE.....	1638 Welton St., Denver
*LOUGHBOOM, WILLIAM C.....	531 So. Spring, Los Angeles, Calif.
*McMAHON, FRANCIS M.....	Mining Exch. Bldg., Col. Springs, Colo.
*MILLER, ALBERT A.....	Box 159, Denver
*MITCHELL, HORACE H.....	Giddings Block, Colo. Springs
*MULNIX, HARRY E.....	1565 Lafayette St., Denver
*PFEIFFER, EMIL W.....	State Capitol, Denver
*PITCAITHLY, WILSON L.....	707 Continental Bldg., Denver
*SMITH, ORVILLE A.....	513 Boston Bldg., Denver
*SPENCER, FERMOR J.....	707 Continental Bldg., Denver
*STUMM, GUY C.....	Idaho Springs, Colo.
*WALLACE, R. J.....	1543 Glenarm St., Denver
Total, 24.	

### *Associates:*

HAMILTON, A. E.....	1654 Broadway, Denver
LOTT, GEORGE B.....	State Capitol, Denver
SNODGRASS, M. T.....	530 17th St., Denver
Total, 3.	

## *The Connecticut Society of Certified Public Accountants*

*BEERS, HARRY TREAT.....	42 Church St., New Haven
*BOWMAN, JOHN H.....	32 Union Ave., Clifton, N. J.
*BROWN, GEORGE C.....	41 Wall St., New York City
*CHILD, FREDERICK W.....	Greenwich, Conn.
*DILLON, WILLIAM.....	50 Congress St., Boston, Mass.



## Members

*EGGLESTON, D. C.	.....	Sound Beach, Conn.
*ERSKINE, ALBERT R.	.....9	Murray St., New York City
*FOSTER, HERBERT	.....38	Humphrey St., New Haven
*GUNN, J. NEWTON	.....41	Wall St., New York City
*IRVING, CHAS. H.	.....7	Sherman Court, New Britain, Conn.
*LOVEJOY, E. W.	.....54	William St., New York City
*MANVEL, FREDERICK C.	.....	Greenwich, Conn.
*MOYER, M. S.	.....149	Broadway, New York City
*NASMYTH, CHAS. J.	.....15	Wall St., New York City
*NOLAN, L. J.	.....25	Pine St., New York City
*PETZE, EDWARD I.	.....165	Broadway, New York City
*RICHARDS, WILLIS B.	.....41	Wall St., New York City
*TAYLOR, FRANK S.	.....318	Main St., Springfield, Mass.
*VANNAIS, GEORGE L.	.....	P. O. Box 269, Hartford, Conn.
*WILSON, CHARLES C.	.....146	Fairview Ave., Bridgeport
Total, 20.		

### *Associates:*

*LONDON, WILLIAM P.	.....650	Albany Ave., Hartford
*STARKWEATHER, JOHN	.....	Ansonia
Total, 2.		

### *Honorary Members:*

Hill, George E.	.....	Bridgeport, Conn.
Woodruff, Rollin S. (Hon)	.....	New Haven, Conn.
Total, 2.		

## *Georgia State Association of Public Accountants*

### *Fellows:*

*BIDWELL, C. B.	.....4th	Natl. Bank Bldg., Atlanta
*DIBBLE, W. J.	.....	Kiser Bldg., Atlanta
*HALTIWANGER, A. J.	.....	Candler Bldg., Atlanta
*HIGHLEY, C. H.	.....	Augusta, Ga.
*HUNTER, JOEL	.....	Empire Bldg., Atlanta
*MARSH, R. P.	.....	Savannah, Ga.
*METZ, CHAS. J.	.....	Candler Bldg., Atlanta
*RICHARDSON, ALONZO	.....	Empire Bldg., Atlanta
*SHELDON, W. B.	.....	Candler Bldg., Atlanta
Total, 9.		

## *Illinois Society of Certified Public Accountants*

### *Fellows:*

*ALLEN, EDWARD	.....	Hibernia Bank Bldg., New Orleans, La.
*ANDERSEN, ARTHUR E.	.....1310	Corn Exchange Bk. Bldg., Chicago
*BENINGTON, HAROLD	.....802	Marquette Bldg., Chicago
*BENTLEY, ARTHUR	.....14th &	Robey Sts., Chicago
*BERGER, R. O.	.....54	William St., New York City
*BOUGHEY, FRANK M.	.....74	Title & Trust Bldg., Chicago
*BROWN, JOHN H.	.....119	Monroe St., Chicago
*BUCHANAN, R. S.	.....189	La Salle St., Chicago
*CANT, RODDAM	.....824	Monadnock Block, Chicago
*CHASE, W. A.	.....	Title & Trust Bldg., Chicago
*COOPER, JOHN A.	.....119	Monroe St., Chicago
*DELLSCHAFT, C. F. A.	.....	Las Esperamzas, Mexico
*DICKINSON, A. LOWES	.....54	William St., New York City
*DIRKS, HERMANN J.	.....802	Marquette Bldg., Chicago
*GORE, EDWARD E.	.....824	Monadnock Block, Chicago
*GRIEG, A. F. RATTRAY	.....4208½	Berkeley Ave., Chicago
*HOPKINS, S. R.	.....	Mishawaka, Ind.
*HUGHES, RUPERT S.	.....25	Broad St., New York City

## American Association Year-Book

*HUNT, S. WADE.....	616 N. Y. Life Bldg., Chicago
*JACKSON, H. J.....	115 Adams St., Chicago
*JOHNSON, PAUL C.....	1310 Corn Exchange Bk. Bldg., Chicago
*JONES, D. O.....	824 Monadnock Block, Chicago
*JOPLIN, J. PORTER.....	189 La Salle St., Chicago
*KNISELY, C. W.....	First Natl. Bank Bldg., Chicago
*KUHN, M. S.....	159 La Salle St., Chicago
*LEITH, JOHN.....	159 La Salle St., Chicago
*LEVI, D. J.....	189 La Salle St., Chicago
*LUDLAM, C. E.....	30 Broad St., New York City
*MACDONALD, C. A.....	1411 Rokeby St., Chicago
*MACDONALD, R. O.....	824 Monadnock Block, Chicago
*MARR, C. J.....	1310 Corn Exchange Bk. Bldg., Chicago
*MAY, GEORGE O.....	54 William St., New York City
*MCKEAND, C. A.....	824 Monadnock Block, Chicago
*MCGREGOR, JAMES P.....	714 Title & Trust Bldg., Chicago
*MERRILL, C. D.....	824 Monadnock Block, Chicago
*MILLS, E. M.....	Borland Block, Chicago
*NELSON, ROBERT.....	135 Adams St., Chicago
*NIGG, C.....	Schiller Bldg., Chicago
*NIVEN, JOHN B.....	30 Broad St., New York City
*PHILLIPS, H. G.....	609 1st Natl. Bank Bldg., Chicago
*PICKETT, L. S.....	Mishawaka, Ind.
*REAY, WM. M.....	234 Michigan Ave., Chicago
*RECKITT, ERNEST.....	802 Marquette Bldg., Chicago
*ROBERTS, WM. H.....	824 Marquette Bldg., Chicago
*RUGG, A. W.....	407 McKay Bldg., Portland, Ore.
*SCHELTES, S. A.....	4514 Washington Bou., Chicago, Ill.
*SCOBIE, J. C.....	54 William St., New York City
*SEATREE, W. ERNEST.....	206 La Salle St., Chicago
*SELLS, E. W.....	30 Broad St., New York City
*SMART, ALLEN R.....	824 Monadnock Block, Chicago
*SPENCE, A. PYOTT.....	25 Broad St., Chicago
*STALLINGS, A. J.....	Hibernia Bank Bldg., New Orleans, La.
*STANLEY, EDWARD.....	Sherman, Tex.
*STERRETT, J. E.....	54 William St., New York City
*THOMPSON, W. W.....	856 First Natl. Bank Bldg., Chicago
*TOD, A. KINNAIRD.....	79 Wall St., Chicago
*TURVILLE, GEO. A.....	Pittsburgh, Pa.
*VAUGHAN, A. S.....	Marquette Bldg., Chicago
*WALTON, SEYMOUR.....	189 La Salle St., Chicago
*WEBSTER, GEO. R.....	Alaska-Commercial Bldg., San Francisco
*WHITE, F. F.....	49 Wall St., Chicago
*WHITE, PETER.....	Del Prado Hotel, Chicago, Ill.
*WILMOT, H. W.....	54 William St., New York City
*YOUNG, ARTHUR.....	Monadnock Block, Chicago
Total, 64.	

### Associates:

CULLEN, WM. H.....	Hartford Bldg., Chicago, Ill.
Total, 1.	

### Honorary Member:

Wilkinson, Geo.....	52 Broadway, New York City
Total, 1.	

## Kentucky Association of Public Accountants

### Fellows:

BANTA, CHAS. W.....	611 Columbia Bldg., Louisville
COMINGOR, L.....	407 Urban Bldg., Louisville



# HASKINS & SELLS

## Members

DRYDEN, T. W.....	Second and Walnut Sts.,	Louisville
HARRIS, CHAS. G.....	Union Natl. Bank Bldg.,	Louisville
MELDRUM, OVERTON S.....	514 Keller Bldg.,	Louisville
PARKER, W. S.....	Walker Bldg.	Louisville
SCHWARTZ, G. W.....	Second & Walnut Sts.,	Louisville
SPENCER, ENOS.....	Union Natl. Bank Bldg.,	Louisville
TURNER, THOMAS E.....	Union Natl. Bank Bldg.,	Louisville
WEAVER, B. PERRY.....	611 Columbia Bldg.,	Louisville
WEAVER, W. L.....	611 Columbia Bldg.,	Louisville
WOODS, JOHN S.....	Franklin Bank,	Louisville
Total, 12.		

## Maryland Association of Certified Public Accountants of Baltimore City

### Fellows:

*ATKINSON, ALFRED.....	106 South St.,	Baltimore
*BERRY, THOMAS L.....	Fidelity Bldg.,	Baltimore
*BLACK, WILMER.....	1109 American Bldg.,	Baltimore
*BLACKLOCK, FRANK.....	108 Law Bldg.,	Baltimore
*BRAUNS, FERDINAND L.....	412 West Fayette St.,	Baltimore
*DODD, ALEXANDER.....	203 St. Paul St.,	Baltimore
*EVANS, CLARENCE R.....	524 South Broadway,	Baltimore
*FEUSS, ANDREW C.....	1004 W. Lafayette Ave.,	Baltimore
*GREENWAY, EUGENE.....	909 Calvert Bldg.,	Baltimore
*HALL, CHARLES O.....	711 Fidelity Bldg.,	Baltimore
*HALL, CLAYTON C.....	8-10 South St.,	Baltimore
*HEHL, CHARLES L.....	1027-33 Calvert Bldg.,	Baltimore
*HUNTER, ANDREW, JR.....	1109 American Bldg.,	Baltimore
*KÜCHLER, JOHN.....	1027-33 Calvert Bldg.,	Baltimore
*LEE, KARL L.....	P. O. Box 703,	Baltimore
*LILLEY, RALEIGH L.....	663 Calvert Bldg.,	Baltimore
*MEYER, HERMAN F.....	135 E. Baltimore St.,	Baltimore
*STARKLOFF, CARL V.....	P. O. Box 132,	Baltimore
*TEICHMAN, MAX.....	Equitable Bldg.,	Baltimore
*TOMPKINS, JOHN A.....	301 N. Charles St.,	Baltimore
Total, 20.		

### Associates:

*DITMAN, CHARLES R.....	115 E. Lombard St.,	Baltimore
*DOETSCH, ELSA.....	8-10 South St.,	Baltimore
*HATTER, ELMER L.....	1027-33 Calvert Bldg.,	Baltimore
*HOOPER, FLORENCE.....	8-10 South St.,	Baltimore
*PAGE, HOWARD P.....	Fayette and North Sts.,	Baltimore
*SCHNEPPE, CHAS. H.....	33 Franklin Bldg.,	Baltimore
Total, 6.		

### Honorary Members:

Boyce, Fred. G.....	Baltimore
Dawkins, Walter J.....	Baltimore
Hahn, Samuel M.....	Baltimore
Lemmon, J. Southgate.....	Baltimore
Muir, D. D.....	Baltimore
Siegmund, C. E.....	Baltimore
Total, 6.	

## The Incorporated Public Accountants of Massachusetts

### Fellows:

*ALBEE, AMOS D.....	53 State St.,	Boston
*ALBEE, HERBERT H.....	53 State St.,	Boston
BARDWELL, WALLACE E.....	124 Summer St.,	Pittsfield

## American Association Year-Book

*BASSET, HORACE S.....	John Hancock Bldg.,	Boston
*BISHOP, GEORGE L.....	59 Temple Pl.,	Boston
*BOYDEN, WALTER L.....	6 Beacon St.,	Boston
*CHANDLER, ASA E.....	54 Kilby St.,	Boston
*CHASE, ARTHUR T.....	84 State St.,	Boston
CHASE, GEORGE S.....	84 State St.,	Boston
*CHASE, HARVEY S.....	84 State St.,	Boston
*COMINS, EDWARD P.....	84 State St.,	Boston
*COOLEY, MORGAN L.....	Tremont Bldg.,	Boston
*DAVIS, HERBERT T.....	8 Congress St.,	Boston
*DILLON, WILLIAM.....	50 Congress St.,	Boston
*DOUGLAS, ROBERT.....	166 Essex St.,	Boston
DYSART, ROBERT J.....	28 State St.,	Boston
EDWARDS, TRUMAN G.....	178 Devonshire St.,	Boston
*FRENCH, HERBERT F.....	166 Essex St.,	Boston
GALE, GEORGE F.....		Natick
*HALL, JAMES W.....	53 State St.,	Boston
*HALL, WILLIAM FRANKLIN.....	53 State St.,	Boston
HARPER, RICHARD L.....	53 State St.,	Boston
HERRICK, WILLIAM H.....	24 Milk St.,	Boston
KELLOGG, CHARLES F.....	35 Congress St.,	Boston
*LOVE, HENRY D.....	84 State St.,	Boston
*LUTHER, J. SEYMOUR, JR.....	53 State St.,	Boston
*LYALL, GEORGE.....	27 State St.,	Boston
*MANSFIELD, GIDEON M.....	904 Exchange Bldg.,	Boston
MANSON, GEORGE W.....	113 Devonshire St.,	Boston
*MASTERS, J. EDWARD.....	60 State St.,	Boston
*MOYER, ORLANDO C.....	43a Oakview Terrace,	Jamaica Plain
NEWELL, WILLIAM C.....	6 Oliver Bldg.,	Boston
*NICKERSON, AUGUSTUS.....	53 State St.,	Boston
*OAKEY, FRANCIS.....	84 State St.,	Boston
*PARKER, EDWARD L.....	50 State St.,	Boston
PARSONS, JOSEPH S.....	214 Columbus Av.,	Boston
*PARSONS, THOMAS P.....	1107 Tremont Bldg.,	Boston
*PIPER, HENRY A.....	953 Old South Bldg.,	Boston
*POPE, CHARLES H.....	166 Essex St.,	Boston
*PRIDE, EDWIN L.....	8 Congress St.,	Boston
*RAND, WALDRON H.....	59 Temple Pl.,	Boston
*SANGER, GABRIEL.....	166 Essex St.,	Boston
*SAWYER, HOLLIS H.....	131 State St.,	Boston
*SETCHELL, MORTON E.....	932 Old South Bldg.,	Boston
*SPURR, THOMAS S.....	258 Washington St.,	Boston
*STEWART, ANDREW.....	28 State St.,	Boston
*STORER, NEWMAN W.....	59 Temple Pl.,	Boston
*STRACHAN, C. DUTHIE.....	59 Temple Pl.,	Boston
TUFTS, FREDERICK C.....	24 Milk St.,	Boston
*TUTTLE, CHARLES H.....	84 State St.,	Boston
*WRIGHT, CHARLES H.....	9 Emrose Terrace	Boston.
WRIGHT, RICHARD W.....	953 Old South Bldg.,	Boston
WRIGHT, WALTER C.....	45 Milk St.,	Boston
*WRYE, WALTER C.....	84 State St.,	Boston
*WYMAN, GERALD.....	131 State St.,	Boston
Total, 55.		

### Associates:

ALBREE, EDWARD C.....	Swampscott, Mass.
BYRNES, ARTHUR T.....	53 State St., Boston
DYSART, HUGH.....	28 State St., Boston
PRIEST, GEORGE H.....	256 State House, Boston
WOODBIDGE, JOHN M.....	214 Summer St., Boston
Total, 5.	



## Members

### Honorary Member:

Kurtz, Charles C.....31 State St., Boston  
Total, 1.

### The Michigan Association of Certified Public Accountants

#### Fellows:

\*BECK, HOWARD C.....922 Ford Bldg., Detroit  
\*BENNETT, ROBERT J.....1422 Arch St., Philadelphia  
\*BONTHRON, WILLIAM D.....1004 Union Trust Bldg., Detroit  
\*BROWN, GEORGE C.....318 Majestic Bldg., Detroit  
\*FLEMING, CHARLES D.....Penobscot Bldg., Detroit  
\*GAUSBY, HAROLD S.....318 Majestic Bldg., Detroit  
\*GIES, FRED. T.....Majestic Bldg., Detroit  
\*GRIDLEY, WILLIAM D.....5 McGraw Bldg., Detroit  
\*HARDMAN, JAMES E.....Houseman Bldg., Grand Rapids  
\*HAWKINS, NORVAL A.....Majestic Bldg., Detroit  
\*HORNER, GEORGE A.....Pontiac  
\*JEROME, JOHN J.....292 Pennsylvania, Detroit  
\*PARKS, GEORGE H.....Houseman Bldg., Grand Rapids  
\*RUPLE, HARRY.....Bronson  
\*SPRINGER, DURAND W.....27 Owen Ave., Detroit  
\*SUTER, FRED. A.....1004 Union Trust Bldg., Detroit  
\*THOMPSON, MELVILLE W.....2 Rector St., N. Y. City  
\*TILTON, FREDERIC A.....Security Trust, Audit Dept., Detroit  
\*TULLY, HENRY F.....318 Majestic Bldg., Detroit  
\*TURRELL, LOUIS H.....318 Majestic Bldg., Detroit  
\*WASHBURN, WILLIAM W.....120 Collingwood, Detroit  
\*WEBSTER, NORMAN E., JR.....111 Broadway, N. Y. City  
\*WIXSON, FRED.....Penobscot Bldg., Detroit  
Total, 23.

#### Honorary Members:

Ashley, Noble.....Detroit  
Bland, J. Edward.....Detroit  
Byrnes, Chas. J.....Ishpeming  
Denby, Edwin.....Detroit  
Hart, Ray.....Midland  
Peck, Archibold J.....Jackson  
Warner, Fred. M.....Farmington  
Wedemeyer, W. W.....Ann Arbor  
Zimmerman, H. M.....Pontiac  
Total, 9.

### Minnesota Society of Public Accountants

#### Fellows:

\*DOHERTY, R.....Farmers & Mechanics Savgs. Bk. Bldg., Minneapolis  
\*FRAME, W. A.....Farmers & Mechanics Savgs. Bk. Bldg., Minneapolis  
\*FREEMAN, H. J.....805 Germania Life Bldg., St. Paul  
\*GREEN, GILBERT.....62 Metropolitan Bldg., Minneapolis  
\*HAYDEN, HAROLD R.....Corn Exchange Bldg., Minneapolis  
\*HINCKLEY, NATHANIEL B.....Endicott Bldg., St. Paul  
\*STEELE, J. GORDON.....N. Y. Life Bldg., Minneapolis  
\*TEMPLE, HERBERT M.....602 Germania Life Bldg., St. Paul  
\*WEBB, RALPH D.....Minneapolis  
\*WENDELL, FRED. H.....Metropolitan Life Bldg., Minneapolis  
Total, 10.

#### Associates:

ANDERSON, J. J.....Minneapolis  
LEIST, GILEN A.....830 Lumber Exchange, Minneapolis

## *American Association Year-Book*

LEVI, ARTHUR.....	805 Germania Life Bldg., St. Paul
ROBINSON, W. F.....	Minneapolis
SNYDER, C. W.....	805 Germania Life Bldg., St. Paul
SPIES, OTTO A.....	St. Paul
VAN KOERT, J. H.....	St. Paul
Total, 7.	

### *Missouri Society of Certified Public Accountants*

#### *Fellows:*

*AMBROSE, H. G.....	St. Louis
*BELDING, H. W.....	St. Louis
*BICKETT, W. P.....	Chicago
*BOISSELIER, R. W.....	St. Louis
*BRODIE, A. B.....	Pittsburgh
*CRAWFORD, L. N.....	Kansas City
*CROCKETT, J. D. M.....	Kansas City
*DICKINSON, A. L.....	New York City
*DUNN, HOMER A.....	New York City
*FRASER, EDWARD A.....	Kansas City
*GREY, D. L.....	St. Louis
*KESSLER, E. H.....	St. Louis
*KRIBBEN, B. D.....	St. Louis
*LUDLAM, C. S.....	New York City
*MAY, G. O.....	New York
*MENDENHALL, WM.....	Kansas City
*MCCLELLAND, D. MCK.....	Toronto
*PELOUBET, L. G.....	New York City
*PLANT, W. E.....	St. Louis
*POGSON, A. H.....	New York City
*POGSON, P. W.....	New York City
*RICHARDSON, DWIGHT N.....	Kansas City
*RODWAY, S. H.....	St. Louis
*SELLS, E. W.....	New York City
*SMITH, F. A.....	Kansas City
*SMITH, J. PERCIVAL.....	St. Louis
*SPINNEY, W. K.....	St. Louis
*TALIAFERRO, A. P.....	New York
*TRADER, A. M.....	St. Louis
*TROMENHAUSER, N. L.....	Kansas City
*WESTERMANN, H. T.....	St. Louis
*WHARTON, T. F.....	St. Louis
*WILL, J. A.....	St. Louis
*WINTERS, CHAS. A.....	Kansas City
*WRIGHT, FRANCIS A., JR.....	Kansas City
*WRIGHT, FRANCIS A.....	Kansas City
*YOUNG, F. S.....	Kansas City
Total, 37.	

#### *Associates:*

*HENRY, FRANK R.....	St. Louis
*HOUSTON, A.....	St. Louis
*RANKIN, W. W.....	St. Louis
Total, 3.	

#### *Honorary Member:*

Sterrett, J. E.....	New York City
Total, 1.	

### *Montana State Society of Public Accountants*

*ANDREWS, A. J.....	P. O. Box 1387, Butte
*ARTHUR, DONALD.....	P. O. Box 597, Butte



## Members

*BADGER, A. G.....	Belgrade
*BATTIN, W. F.....	P. O. Box 1387, Butte
*CRAWFORD, JOHN.....	404 W. Granite St., Butte
*CRUMRINE, E. M.....	P. O. Box 233, Butte, Mont.
*HAY, S. GEORGE.....	Leonard Block, Butte Mont.
*MANGAM, W. D.....	P. O. Box 304, Butte
*MOORE, H. W.....	P. O. Box 1387, Butte
*PELOUBET, L. G.....	42 Broadway, New York City
*PHILLIPS, J. C.....	503 Mine Bldg., Butte
*POGSON, A. H.....	42 Broadway, New York City
*POGSON, P. W.....	42 Broadway, New York City
*RABAN, GEORGE.....	Great Falls
*RICE, J. LEE.....	Butte
Total, 15.	

### *Associates:*

CURTIS, O.....	P. O. Box 1387, Butte
PATTERSON, W. D.....	P. O. Box 597, Butte
Total, 2.	

### *Honorary Members:*

Dunaway, Clyde A.....	Missoula
Frank, H. A.....	Butte
Kelley, C. F.....	Butte
MacGinnis, John.....	Butte
Richardson, C. H.....	Butte
Total, 5.	

### *The Society of Certified Public Accountants of the State of New Jersey Fellows:*

*BARCLAY, WILLIAM D.....	30 13th Ave., Newark, N. J.
*BEIDELMAN, WILLIAM H.....	784 Broad St., Newark, N. J.
*BENTLEY, HARRY C.....	Ridgefield
*BESSON, AUGUST J.....	171 Bowers St., Jersey City
*CAMP, SHERMAN P.....	11 Triton Terrace, Newark
*CHEYNE, THOMAS.....	703 E. 27th St., Paterson
*COCKCROFT, WILLIAM.....	Red Bank
*CONANT, EDWARD R.....	215 Main Ave., Passaic
*CONANT, LEONARD H.....	12 Hollywood Ave., East Orange
*COOPER, JOHN E.....	205 Union Ave., Cranford
*COUGHLAN, MARTIN A.....	5 Chapel St., Orange
*DAVIES, W. SANDERS.....	11 Broadway, New York City
*DUBOIS, FRANK G.....	Union Bldg., Newark
*DUNDERDALE, FORBES.....	38 Park Row, New York City
*FLINT, JOHN.....	815 Second Pl., Plainfield
*FOOTE, ELIAL T.....	74 Broadway, New York City
*FORMAN, GEORGE.....	City Hall, Newark
*GANO, EDWIN E.....	Bound Brook
*GREENWOOD, HERBERT S.....	44 Broad St., New York City
*HARTKORN, AUGUST.....	73 Madison St., Hoboken
*HEILES, RUDOLPH F.....	60 New St., East Orange, N. J.
*LEWIS, JAMES M.....	522 Monroe Ave., Elizabeth
*LOMERSON, BENJAMIN O.....	171 Jewett Ave., Jersey City
*LORD, CLARKSON E.....	30 Broad St., New York City
*MACNEE, R. HAMILTON.....	25 Broad St. New York City
*MAGEE, HENRY C.....	Market and Third Sts., Camden
*MCSCHEEHY, B. E.....	51 Weston Pl., Nutley
*MILLIGAN, WILLIAM A.....	566 W. 162d St., New York City
*NIELD, CHARLES F.....	11 Broadway, New York City
*NIVEN, JOHN B.....	30 Broad St., New York City

## American Association Year-Book

*OAKES, W. FOSTER.....	Roseland Ave., Essex Falls
*PABODIE, BENJAMIN F.....	36 Spring St., Montclair
*PATERSON, STUART H.....	12 E. 9th St., Plainfield
*ROBERTS, THOS. CULLEN.....	1203 Garden St., Hoboken
*ROBERTS, THOS. E. C.....	Vanderbeck Pl., Hackensack
*SAMUELSON, FRANK, JR.....	27 N. Midland Ave., Arlington
*SAWYER, WILLIAM T.....	280 N. Broad St., Elizabeth
*SELF, EDWARD.....	147 So. Orange Ave., So. Orange
*SMITH, JAMES JASPER.....	302 Sherman Ave., Jersey City
*STEVENS, RICHARD F.....	1017 Prudential Bldg., Newark
*STORCK, GEORGE W.....	Hasbrouck Hts.
*SUFFERN, EDWARD L.....	165 Broadway, New York City
*TWIST, OLIN S.....	7 Bloomfield Ave., Passaic
*WOODRUFF, FRANK H., JR.....	30 Broad St., New York City
*WOODLING, EDWIN G.....	302 Prospect St., Cranford
*YALE, ELMER S.....	180 Belmont Ave., Jersey City
*WILKINSON, GEORGE.....	127 E. 6th St., Plainfield
Total, 47.	

### Associates:

ATWOOD, WILLIAM.....	321 Union St., Hackensack
*KENNEDY, FRANK E.....	108 Preakness Ave., Paterson
PARKER, GEORGE R.....	44 Stuyvesant Ave., Newark
*RUARK, JAMES F.....	15 6th St., Weehawken
*WRIGHT, ARTHUR.....	Ridgefield Park
Total, 5.	

### New York State Society of Certified Public Accountants

#### Fellows:

*ARBAHAMS, JOHN W.....	82 Beaver St., New York City
*ADERER, ALEXANDER.....	225 5th Ave., New York City
*ALLEN, JOHN L. M.....	280 Broadway, New York City
*ANYON, JAMES T.....	25 Broad St., New York City
*ARCHER, JOHN P.....	225 5th Ave., New York City
*ASHDOWN, EDWARD A.....	34 Nassau St., New York City
*ATKINS, HAROLD B.....	New York City
*BANKS, HOWARD M.....	150 Nassau St., New York City
*BARBER, EDGAR M.....	641 Washington St., New York City
*BENDER, DANIEL H.....	261 Broadway, New York City
*BICKNELL, HENRY M.....	46 W. 24th St., New York City
*BIERMAN, DIEDRICK P.....	13 Park Row, New York City
*BOTH, CHARLES.....	68 William St., New York City
*BRADLEY, ROBERT S.....	30 Broad St., New York City
*BRINKERHOFF, EDGAR D.....	32 Broadway, New York City
*BROWN, RAYMOND C.....	30 Broad St., New York City
*BRUMMER, LEON.....	277 Broadway, New York City
*BUNCKE, HENRY C.....	165 Broadway, New York City
*CALVERT, JOSEPH F.....	123 E. 23d St., New York City
*CAVANAGH, JAMES T.....	225 5th Ave., New York City
*CHAMPLIN, HARVEY S.....	715 Mutual Life Bldg., Buffalo, N. Y.
*CHAPMAN, EDWIN N.....	18 Wall St., New York City
*CHAPMAN, RICHARD M.....	150 Nassau St., New York City
*CHILD, CHESTER P.....	31 Nassau St., New York City
*CHURCH, GEORGE H.....	55 Wall St., New York City
*CLAIR, FRANCIS R.....	62 William St., New York City
*COCHEU, JR., THEODORE.....	100 Broadway, New York City
*CONANT, LEONARD H.....	30 Broad St., New York City
*COOK, HENRY R. M.....	59th St. & Park Ave., New York City
*COOK, HOWARD B.....	30 Broad St., New York City
*CORNWALL, ARTHUR B.....	119 Nassau St., New York City



# **\* HASKINS & SELLS;**

## *Members*

*CORWIN, HAMILTON S.....	30 Broad St.,	New York City
*CULVER, ABEL I.....		Albany, N. Y.
*CUTHBERT, ROBERT L.....	49 Wall St.,	New York City
*DAVID, HENRY C.....	43 Exchange Pl.,	New York City
*DEAN, THOMAS B.....	129 Front St.,	New York City
*DENNIS, WILLIAM H.....	87 Nassau St.,	New York City
*DAVIES, W. SANDERS.....	11 Broadway,	New York City
*DAWSON, JAMES H.....	189 Montague St.,	Brooklyn, N. Y.
*DENBY, EDWIN.....	400 Broadway,	New York City
*DIXCY, THOMAS B.....	30 Church St.,	New York City
*DUANE, THOMAS W.....	280 Broadway,	New York City
*DUNN, HOMER A.....	30 Broad St.,	New York City
*EBBELS, CLARENCE L.....	31 Nassau St.,	New York City
*EDMONDS, DAVID J.....	56 Pine St.,	New York City
*FEDDE, ADOLF S.....	31 Nassau St.,	New York City
*FERGUSON, IRVING B.....	195 Broadway,	New York City
*FERNALD, HENRY B.....	165 Broadway,	New York City
*FERO, DERoy S.....	30 Broad St.,	New York City
*FIRTH, JOSEPH W.....	119 Nassau St.,	New York City
*FISCHER, AUGUST.....	1011 Ave. "A,"	New York City
*FISHER, LEON O.....	120 Broadway,	New York City
*FORSTER, GEORGE F.....	15 Broad St.,	New York City
*FREEMAN, HERBERT C.....	30 Broad St.,	New York City
*FREEMAN, WILLIAM E.....	57 Duane St.,	New York City
*GAYNOR, PHILIP B.....	165 Broadway,	New York City
*GIMSON, LAWRENCE K.....	82 Wall St.,	New York City
*GLOVER, PATRICK W. R.....	25 Broad St.,	New York City
*GOLDSBOROUGH, CHARLES O.....		New York City
*GOODLOE, J. S. M.....	Hayden Bldg.,	Columbus, Ohio
*GORDON, JOHN.....	207 Broadway,	New York City
*GOTTSBERGER, FRANCIS.....	156 Broadway,	New York City
*GOUGH, EDWARD C.....	150 Nassau St.,	New York City
*GREENMAN, HOWARD.....	25 Pine St.,	New York City
*GRUNDMAN, OTTO A.....	58 Post St.,	Yonkers
*GUNNELL, EDWARD.....	165 Broadway,	New York City
*GUNNELL, WILLIAM J.....	80 Dun Bldg.,	Buffalo, N. Y.
*HAAG, JOSEPH.....	277 Broadway,	New York City
*HABERSTROH, FRED.....	764a Quincy St.,	Brooklyn, N. Y.
*HARNED, FRANKLIN M.....	17 Shepherd Ave.,	Brooklyn, N. Y.
*HART, HAROLD B.....	30 Broad St.,	New York City
*HECHT, CHARLES.....	170 Broadway,	New York City
*HELLERSON, CHARLES E. W.....	225 5th Ave.,	New York City
*HERINGTON, P. REGINALD.....	105 W. 40th St.,	New York City
*HIFTON, EUGENE A.....	443 4th Ave.,	New York City
*HIPWELL, HERBERT.....	43 Exchange Pl.,	New York City
*HOLDE, RUDOLPH.....	964 Grant Ave.,	New York City
*HOOKE, EDWARD W.....	80 Wall St.,	New York City
*HOTSON, ROBERT C.....	366 5th Ave.,	New York City
*HOW, FRANCIS.....	2 Rector St.,	New York City
*HOWARD, THOMAS P.....	100 Broadway,	New York City
*HUBBARD, LOUIS S.....	76 William St.,	New York City
*HUDSON, PAUL H.....	60 Broadway,	New York City
*HUNTER, ALEXANDER.....	60 Wall St.,	New York City
*HURDMAN, FREDERICK H.....	165 Broadway,	New York City
*HYANS, EDWARD M.....	27 E. 22d St.,	New York City
*IFFLA, GEORGE H.....	225 5th Ave.,	New York City
*IMMKE, HENRY W.....		Pittsburg, Pa.
*JASPER, WILLIAM H.....	105 W. 40th St.,	New York City
*JOHNSON, WILLIAM B.....		New York City
*JUDD, ORRIN R.....	119 Nassau St.,	New York City

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*KADISON, LOUIS.....	35 Nassau St.,	New York City
*KETCHUM, NELSON V.....	253 Broadway,	New York City
*KOEHLER, THEODORE.....	1135 Broadway,	New York City
*KUHN, MORRIS S.....	New York City	
*LAFRENTZ, FERD. W.....	100 Broadway,	New York City
*LEIDERSDORF, SAMUEL D.....	302 Broadway,	New York City
*LINGELY, RICHARD T.....	527 5th Ave.,	New York City
*LINK, CHARLES C.....	Waldorf-Astoria,	New York City
*LITTLE, G. ELLIOTTE.....	100 Broadway,	New York City
*LITTLE, STEPHEN.....	100 Broadway,	New York City
*LITTLE, WILLIAM P.....	15 Broad St.,	New York City
*LOOMIS, JOHN R.....	165 Broadway,	New York City
*LOUDOUN, WOOD D.....	68 William St.,	New York City
*LUBIN, LOUIS.....	120 Broadway,	New York City
*LUDEWIG, HERMANN E.....	46 W. 24th St.,	New York City
*LUDLAM, CHARLES S.....	30 Broad St.,	New York City
*McCLEMENT, JOHN H.....	135 Broadway,	New York City
*McCULLOH, CHARLES S.....	55 Wall St.,	New York City
*McHEFFEY, T. LEONARD.....	165 Broadway,	New York City
*McKENNA, JAMES A.....	62 William St.,	New York City
*McWHORTER, CHARLES F.....	111 Broadway,	New York City
*MACFALL, THOMAS J.....	22 E. 109th St.,	New York City
*MACINNES, DUNCAN.....	280 Broadway,	New York City
*MACRAE, FARQUHAR J.....	68 William St.,	New York City
*MAAS, HERMAN C.....	52 Broadway,	New York City
*MACKENZIE, CHARLES A.....	261 Broadway,	New York City
*MAIN, FRANK W.....	Farmers Bank Bldg.,	Pittsburg, Pa.
*MANVEL, FREDERICK C.....	480 5th Ave.,	New York City
*MAPES, LESTER D.....	290 Broadway,	New York City
*MARSHALL, FREDERICK.....	41 Park Row,	New York City
*MASON, JARVIS W.....	100 Broadway,	New York City
*MEYER, HENRY.....	225 5th Ave.,	New York City
*MITCHELL, SIMPSON R.....	79 Wall St.,	New York City
*MORRIS, CHARLES E.....	New York City	
*MORSE, PERLEY.....	43 Exchange Pl.,	New York City
*MOULL, JOHN.....	71 Water St.,	New York City
*MOYER, MELBOURNE S.....	43 Exchange Pl.,	New York City
*MYER, GEORGE W., JR.....	25 Broad St.,	New York City
*NELSON, GODFREY N.....	52 Broadway,	New York City
*NICHOLSON, FREDERICK T.....	52 Broadway,	New York City
*NICHOLSON, J. LEE.....	346 Broadway,	New York City
*NILES, CHARLES E.....	111 Broadway,	New York City
*NILES, HENRY A.....	111 Broadway,	New York City
*NIVEN, JOHN B.....	30 Broad St.,	New York City
*PACE, HOMER S.....	50 Church St.,	New York City
*PANGBORN, WARREL S.....	1 Liberty St.,	New York City
*PARK, JAMES.....	149 Broadway,	New York City
*PATTERSON, EDWARD C.....	141 Broadway,	New York City
*PATTERSON, SAMUEL D.....	141 Broadway,	New York City
*PERRINE, LEROY.....	New York City	
*PHELPS, CHARLES D.....	143 Liberty St.,	New York City
*POTTER, ARTHUR G.....	30 Broad St.,	New York City
*POWELSON, JOHN B.....	New York City	
*PROBERT, EDWIN.....	320 Broadway,	New York City
*PROUD, JOHN.....	80 William St.,	New York City
*QUERY, CHARLES R.....	1 Madison Sq.,	New York City
*RICHARDSON, FRANKLIN W.....	346 Broadway,	New York City
*RIGBY, PERCY B.....	1612 Ludlow St.,	Philadelphia, Pa.
*ROBERTS, THOMAS CULLEN.....	56 Pine St.,	New York City
*ROSE, ALFRED.....	56 Pine St.,	New York City



# BASKINS & SELLS

## Members

*RUCKER, ROBERT H.....	27 Pine St.,	New York City
*SACHS, DANIEL.....	848 Greene Av.,	Brooklyn, N. Y.
*SAPER, J. ELBERT.....	35 Nassau St.,	New York City
*SARGENT, SIDNEY E.....	41 Park Row,	New York City
*SCOVELL, CLINTON H.....	84 State St.,	Boston, Mass.
*SEARLE, HARRY F.....	52 Broadway,	New York City
*SELLS, ELIJAH W.....	30 Broad St.,	New York City
*SHEARMAN, WESTON J.....	576 5th Ave.,	New York City
*SHERMAN, HARRY B.....		New York City
*SIMSON, LESLIE N.....	120 Broadway,	New York City
*SINCLAIR, ARTHUR B.....	15 Wall St.,	New York City
*SMITH, DANIEL O. L.....	32 Broadway,	New York City
*SMITH, HARRY M.....	165 Broadway,	New York City
*SPARROW, JOHN R.....	60 Wall St.,	New York City
*SPRAGUE, CHARLES E.....	54 W. 32d St.,	New York City
*SQUIRES, FREDERICK W.....	25 Broad St.,	New York City
*STARK, DANA F.....	Livingston Bldg.,	Rochester, N. Y.
*STELLE, LEWIS R.....	99 Nassau St.,	New York City
*STERN, ALFRED J.....	346 Broadway,	New York City
*STONE, EDMUND N.....	220 Broadway,	New York City
*STRATTON, ROBERT M.....	70 West 52d St.,	New York City
*SUFFERN, EDWARD L.....	165 Broadway,	New York City
*SUFFERN, ERNEST S.....	165 Broadway,	New York City
*TATE, DANIEL C.....	66 Broadway,	New York City
*TEELE, ARTHUR W.....	30 Broad St.,	New York City
*TINSLEY, ALEXANDER L.....	61 William St.,	New York City
*TINSLEY, RICHARD P.....	26 Broadway,	New York City
*TOWNSEND, FREDERICK C.....	31 Nassau St.,	New York City
*TREIBER, FREDERICK A.....	261 Broadway,	New York City
*ULBRICHT, RICHARD E.....	Banco Natl. De Cuba,	Habana, Cuba
*VAUGHAN, ARTHUR S.....	30 Broad St.,	New York City
*VEYSEY, WALTER H. P.....	32 Nassau St.,	New York City
*WALKER, ALFRED P.....	49 Wall St.,	New York City
*WATSON, WILLIAM A.....	9 Richard St.,	Brooklyn, N. Y.
*WEISS, WILLIAM F.....	170 Broadway,	New York City
*WEST, WILLIAM H.....	50 Pine St.,	New York City
*WHITTLESEY, WILLIS S.....	7 E. 42d St.,	New York City
*WICKS, ALFRED H.....	302 Broadway,	New York City
*WIEGAND, PETER C.....	223 Spring St.,	New York City
*WILKINSON, GEORGE.....	52 Broadway,	New York City
*WILLIAMS, CYRUS.....	334 Argyle Rd.,	Brooklyn, N. Y.
*WILMOTT, ARTHUR.....	100 Broadway,	New York City
*WOHNSEIDLER, JOHN.....	17 Battery Pl.,	New York City
*WOLFF, ARTHUR.....	1 Madison Ave.,	New York City
*WOLFF, GEORGE F.....	165 Broadway,	New York City
*WOOD, J. FREDERICK E.....	87 Nassau St.,	New York City
*WYMAN, JOSEPH G.....	60 Wall St.,	New York City
Total, 198.		

## Associates:

BAUER, JR., GEORGE F.....	50 Church St.,	New York City
CONKLING, W. H.....		New York City
CRAEMER, WILLIAM.....	165 Broadway,	New York City
CRANSTOUN, WILLIAM D.....	165 Broadway,	New York City
FAIRBANKS, KENNETH.....		New York City
FUCHS, CHARLES C.....		New York City
HAND, OLIVER K.....	68 Columbia Hts.,	Brooklyn, N. Y.
HERGERT, PETER.....		New York City
KARMEL, ABRAHAM.....		New York City
LEVINE, HYMAN B.....		New York City

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MAY, JOHN H.....	380 South St., New York City
TACKMAN, JULIUS.....	Vark St., Yonkers, N. Y.
WINANS, DeKAY.....	New York City
Total, 13.	

### Honorary Member:

Johnson, Joseph French, D.C.S.....	32 Waverley Pl., New York City
Total, 1.	

### Ohio Society of Certified Public Accountants

#### Fellows:

*BOOKWALTER, R. C.....	1002 American Trust Bldg., Cleveland
*BREWSTER, FRANK.....	Citizens Bldg., Cleveland
*CASE, CHARLES H.....	1618 Ansel Rd., Cleveland
*CLARK, THOMAS R.....	49 Wall St., New York City
*COVERT, CHARLES A.....	710 Hayden Bldg., Columbus
*CUTHBERT, R. L.....	49 Wall St., New York City
*COY, W. A.....	707 New England Bldg., Cleveland
*DEAVER, WILLIAM.....	27 N. Monroe Ave., Columbus
*DEWAR, DOUGLAS.....	189 La Salle St., Chicago, Ill.
*DOOLITTLE, T. C.....	4215 Carnegie Ave., Cleveland
*DUNN, H. A.....	30 Broad St., New York City
*ELDER, DAVID.....	64 Wall St., New York City
*ELLIOTT, EDWARD S.....	Memphis Trust Bldg., Memphis, Tenn.
*ERNST, A. C.....	Schofield Bldg., Cleveland
*ERNST, T. C.....	Schofield Bldg., Cleveland
*FISHER, LEON O.....	120 Broadway, New York City
*FRANKLIN, BENJAMIN, JR.....	760 Temple Bldg., Minneapolis, Minn.
*GANO, C. A.....	Traction Bldg., Cincinnati
*GOODBODY, T. P.....	New York Life Bldg., Chicago, Ill.
*GOODLOE, J. S. M.....	Hayden Bldg., Columbus
*HALL, JAMES.....	189 La Salle St., Chicago, Ill.
*HARCOURT, VIVIAN.....	522 Edificio La Mutua, Mexico, D. E.
*HAWKINS, N. A.....	Majestic Bldg., Detroit, Mich.
*HILLMAN, H. P. L.....	49 Wall St., New York City
*IMMKE, H. W.....	1615 Farmers' Bank Bldg., Pittsburg, Pa.
*KAUFFMAN, J. H.....	Central Savings Bank Building, Canton
*KELLER, H. A.....	Hayden Bldg., Columbus
*KENNEDY, GUY H.....	Traction Bldg., Cincinnati
*KENWORTHY, A. W.....	115 Broadway, New York City
*KERR, DAVID S.....	11 Place d'Armes, Montreal, Canada
*LAMB, GEORGE R.....	Traction Bldg., Cincinnati
*LANGDON, W. E.....	Harrison Bldg., Columbus
*LEEMING, HAROLD F.....	30 Broad St., New York City
*LEISTER, B. P.....	Central Savings Bank Bldg, Canton
*LESLIE, WILLIAM.....	346 Broadway, New York City
*LINDARS, F. W.....	261 Broadway, New York City
*LUDLAM, CHARLES.....	30 Broad St., New York City
*McCONAUGHY, R. C.....	2d National Bank Bldg., Cincinnati
*McINTOSH, R. J.....	Nasby Bldg., Toledo
*McKNIGHT, J. J.....	Hayden Bldg., Columbus
*MACKENZIE, W. R.....	Worcester Block, Portland, Ore.
*MACPHERSON, F. H.....	Union Trust Bldg., Detroit, Mich.
*MANSELL, G. F.....	Box 336, Cincinnati
*MEAD, W. J.....	Electric Bldg., Cleveland
*MILLER, J. ALBERT.....	First National Bank Bldg., Cincinnati
*MORRIS, D. C.....	827 Williamson Bldg., Cleveland
*NAU, CARL H.....	1101 American Trust Bldg., Cleveland
*PAGE, FREDERICK P.....	49 Wall St., New York City
*PATRICK, A. L.....	109 Columbus St., Elyria, O.



## *Members*

*PIGOTT, THOMAS E.....	Cuyahoga Bldg., Cleveland
*RITCHIE, ALFRED A.....	25 Broad St., New York
*ROSS, F. A.....	760 Temple Court, Minneapolis, Minn.
*RUSK, STEPHEN G.....	1102 Amer. Trust Bldg., Cleveland
*SELLS, E. W.....	30 Broad St., New York City
*SMART, ALLEN R.....	Monadnock Bldg., Chicago, Ill.
*SMITH, WILLIAM A.....	Memphis Trust Bldg., Memphis, Tenn.
*SPURR, THOMAS S.....	258 Washington St., Boston, Mass.
*STEELE, F. R. C.....	131 State St., Boston, Mass.
*STERRETT, J. E.....	54 William St., New York City
*SUFFERN, ERNEST S.....	165 Broadway, New York City
*TANNER, JOHN B.....	Amer. Trust Bldg., Cleveland
*TEELE, A. W.....	30 Broad St., New York City
*TEMPLE, H. M.....	Germania Life Bldg., St. Paul, Minn.
*THOMAS, E. S.....	Union Trust Bldg., Cincinnati
*THROSSELL, FRED. W.....	Citizens' Bldg., Cleveland
*WATSON, FRED.....	Union Trust Bldg., Cincinnati
*WEBNER, F. E.....	First National Bank Bldg., Cincinnati
*WENTZEL, C. H.....	Traction Bldg., Cincinnati
*WHITE, F. F.....	49 Wall St., New York City
*WRIGHT, JAMES.....	64 Wall St., New York City
*WRIGHT, JOHN E.....	4th National Bank Bldg., Cincinnati
Total, 71.	

### *Associates:*

*BLYTH, L. W.....	1220 Schofield Bldg., Cleveland
*CLOUD, JOSEPH D.....	Traction Bldg., Cincinnati
*STOEHR, ALFRED.....	228-230 W. 4th St., Cincinnati
*STUART, H. G.....	83 Beekman St., New York City
Total, 4.	

### *Honorary Members:*

Ellis, Wade H.....	Cincinnati
Firestone, Clinton D.....	Columbus
Foote, Allen Ripley.....	Columbus
Foraker, Joseph B.....	Cincinnati
Harmon, Judson.....	Columbus
Harris, Andrew L.....	Eaton
Herrick, Myron T.....	Cleveland
Total, 7.	

## *Oregon State Society of Public Accountants*

### *Fellows:*

CHAMBREAU, J. J.....	Lumberman's Bldg., Portland
*MACKENZIE, W. R.....	Worcester Block, Portland
RAE, A. C.....	McKay Bldg., Portland
WHITFIELD, WILLIAM.....	Coml. Club Bldg., Portland
Total, 4.	

### *Associates:*

BERRIDGE, ARTHUR.....	224 Worcester Block, Portland
COLLIS, E. H.....	324 Worcester Block, Portland
FERGUSON, J. W.....	505 Board of Trade Bldg., Portland
RICHARDSON, J. Y.....	912 Lewis Bldg., Portland
THOMPSON, L. E.....	324 Worcester Block, Portland
Total, 5.	

## *Pennsylvania Institute of Certified Public Accountants*

### *Fellows:*

*BATES, STOCKTON.....	Bulletin Bldg., Philadelphia
*BIRD, THEODORE H.....	415 Crozer Bldg., Philadelphia

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*BOYD, HENRY T.....	925 Chestnut St., Philadelphia
*BROWN, LAWRENCE E.....	1612 Real Estate Trust Bldg., Philadelphia
*CANNON, P. W.....	222 S. 3d St., Philadelphia
*CARLSON, JOHN L.....	415 Crozer Bldg., Philadelphia
*CARSON, C. C.....	232 S. Front St., Philadelphia
*CRANCH, RAYMOND G.....	1503 Arch St., Philadelphia
*DICKINSON, A. LOWES.....	54 William St., New York City
*FERNLEY, JAMES W.....	907 Betz Bldg., Philadelphia
*FLINT, WILLIAM, JR.....	Drexel Bldg., Philadelphia
*GERDAU, HERMAN.....	1218 S. 46th St., Philadelphia
*HAYES, HYLAND B.....	140 S. 4th St., Philadelphia
*HEVERLE, RICHARD L.....	907 Betz Bldg., Philadelphia
*JOHNSTON, D. VINCENT.....	1612 Real Estate Trust Bldg., Philadelphia
*KENNEDY, R. E.....	929 Chestnut St., Philadelphia
*LAWTON, WILLARD H.....	1307 Real Estate Trust Bldg., Philadelphia
*LEWER, CHARLES.....	411 Walnut St., Philadelphia
*LYBRAND, WILLIAM M.....	165 Broadway, New York City
*LYNN, JOHN R.....	925 Chestnut St., Philadelphia
*LYNNE, WILLIAM SAREL.....	Union Bank Bldg., Pittsburgh, Pa.
*MAGEE, HENRY C.....	3d & Market Sts., Camden, N. J.
*MANSLEY, R. H.....	925 Chestnut St., Philadelphia
*MCDOWELL, WILLIAM T.....	907 Betz Bldg., Philadelphia
*MILLER, W. HARRY.....	1314 Commonwealth Bldg., Philadelphia
*MONTELIUS, W. E.....	540 Drexel Bldg., Philadelphia
*MONTGOMERY, ROBERT H.....	165 Broadway, New York City
*MOXEY, EDWARD P.....	1202 Real Estate Trust Bldg., Philadelphia
*MOXEY, EDWARD P., JR.....	1202 Real Estate Trust Bldg., Philadelphia
*PUGH, JOSEPH M.....	1831 Land Title Bldg., Philadelphia
*RORER, WILLIAM W.....	907 Betz Bldg., Philadelphia
*ROSS, ADAM A., JR.....	1831 Land Title Bldg., Philadelphia
*ROSS, T. EDWARD.....	1831 Land Title Bldg., Philadelphia
*SELLERS, ALFRED L.....	420 Mutual Life Bldg., Philadelphia
*SELLS, E. W.....	30 Broad St., New York City
*SPAULDING, EDWARD C.....	1215 Marion St., Scranton, Pa.
*STAUB, WALTER A.....	1715 Union Bank Bldg., Pittsburgh
*STAUB, ELMER E.....	165 Broadway, New York City
*STEENSON, JOHN F.....	118 S. 6th St., Philadelphia
*STERRETT, J. E.....	54 William St., New York City
*STERRETT, W. W.....	925 Chestnut St., Philadelphia
*STINGER, J. D.....	1612 Real Estate Trust Bldg., Philadelphia
*STOCKWELL, HERBERT G.....	833 Land Title Bldg., Philadelphia
*TODD, CHARLES W.....	320 Land Title Bldg., Philadelphia
*VAUGHAN, JOHN.....	413 Fourth Ave., Pittsburgh, Pa.
*VOLLUM, CHARLES N.....	907 Betz Bldg., Philadelphia
*VOLLUM, ROBERT B.....	907 Betz Bldg., Philadelphia
*WEISSINGER, CHARLES.....	27th & Cabot Sts., Philadelphia
*WITHERUP, WILLIAM A.....	2032 N. 20th St., Philadelphia
*WILKINSON, GEORGE.....	101 Chestnut St., Philadelphia
*WILLIAMS, H. D.....	925 Chestnut St., Philadelphia
Total, 51.	

### Honorary Member:

Rebbeck, Francis J.....	Pittsburgh, Pa.
Total, 1.	

### The Rhode Island Society of Certified Public Accountants

#### Fellows:

*BARNEY, FRED. W.....	Providence
*CARPENTER, HAMILTON L.....	Providence
*GROSSMAN, CHARLES.....	Providence



## *Members*

*JENCKES, CHARLES S.....	Providence
LAWTON, GEORGE.....	Fall River, Mass.
Total, 5.	

### *Tennessee Society of Public Accountants*

#### *Fellows:*

ANDREWS, THOMAS A.....	Memphis
*ELLIOTT, EDWARD S.....	Memphis
EWING, OTIS R.....	526 Goodwyn Institute, Memphis
GRANNIS, H. W.....	Lebanon
HARSH, HARRY L.....	Memphis
HULL, ANDREW S.....	Memphis
JACKSON, WILLIAM H.....	Memphis
JAY, HARRY M.....	Memphis
JONES, HOMER K.....	1217 Tennessee Trust Bldg., Memphis
LATHEM, ERNEST F.....	Memphis
METZ, J. G.....	Memphis
QUIGLEY, JAMES D.....	Memphis
RICHMOND, JOHN L.....	Memphis
SHANNON, CHARLES R.....	Memphis
SMITH, W. A.....	Memphis
STONE, JEFF. K.....	St. Louis, Mo.
WATSON, W. T.....	1391 Madison Ave., Memphis
Total, 17.	

### *Virginia Society of Public Accountants (Inc.)*

#### *Fellows:*

*BARBER, EDWIN A., JR.....	215 Mutual Bldg., Richmond
*BOUDAR, HENRY B.....	1309 Grove Ave., Richmond
*BOUDAR, THOMAS.....	1309 Grove Ave., Richmond
*EVANS, W. McK.....	1218 Mutual Bldg., Richmond
*HARE, THOMAS UPSHUR.....	210 Withers Bldg., Norfolk
*HILTON, W. P.....	303, 304 Monticello Arcade, Norfolk
*LEITCH, E. AUSTIN.....	Virginia Apartments, Richmond
*MAHON, GEORGE.....	50-52 9th St., Lynchburg
Total, 8.	

#### *Associates:*

*ASPTZ, JOHN WILLIAM....	Virginia Bank Savings & Trust Bldg., Norfolk
HUDNALL, CHARLES F.....	1113 East Main St., Richmond
JONES, HARRY S.....	751 28th St., Newport News
*PEPLE, CHARLES A.....	302 Mutual Bldg., Richmond
*PULLEN, ALFRED MARVIN.....	1113 E. Main St., Richmond
*RAWLINGS, A. LEE.....	Law Bldg., Norfolk
*TOLLETH, WILLIAM ROBERTSON.....	Bank of Commerce, Norfolk
*TUFTS, ORRIE HANCOCK.....	307, 308 Monticello Arcade, Norfolk
*WHITEHURST, GEORGE L.....	247 Church St., Norfolk
*WILSON, GEORGE B.....	1113 E. Main St., Richmond
Total, 10.	

#### *Honorary Members:*

Chandler, Dr. J. A. C.....	Richmond
Craddock, John W.....	Lynchburg
Gammon, A. S. J.....	Norfolk
Lesner, Senator John A.....	Norfolk
Mann, Hon. William Hodges.....	Richmond
Stebbins, Joseph, Jr. (Hon.).....	So. Boston
Total, 6.	

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### Washington Society of Certified Public Accountants

#### *Fellows:*

*ARKLEY, GEORGE McD.....	211 N. 9th St., Tacoma
*BUTLER, W. E.....	326 Leary Bldg., Seattle
*CHIDESTER, W. C.....	Care of Dodwell & Co., Seattle
*DICKINSON, A. LOWES.....	54 William St., New York City
*HERRICK, ANSON.....	Merchants' Exchange Bldg., San Francisco
*HERRICK, LESTER.....	Merchants' Exchange Bldg., San Francisco
*LARSON, OLE S.....	Care of Scandinavian American Bank, Seattle
*McADAM, WILLIAM.....	222 Central Bldg., Seattle
*MEDLOCK, JOHN.....	1136 Henry Bldg., Seattle
*MOORHOUSE, E.....	742 Henry Bldg., Seattle
*QUIGLEY, A.....	222 Central Bldg., Seattle
*ROBERTS, L. A.....	Seattle
*SHEDDEN, GEORGE.....	Savage-Scofield Bldg., Tacoma
*SHORROCK, E. G.....	222 Central Bldg., Seattle
*TEMPLE, GEORGE W.....	Colman Bldg., Seattle
*WHITE, R. D.....	1136 Henry Bldg., Seattle
*WILLIAMS, C. M.....	New York Block, Seattle
Total, 17.	

#### *Associates:*

*CULP, C. M.....	Care of National Bank of Commerce, Seattle
*SIMPSON, J. S.....	Tacoma
Total, 2.	

### Wisconsin Association of Public Accountants

#### *Fellows:*

BROWN, JOHN H.....	Milwaukee
BUCKNAM, L. E.....	Milwaukee
DANIELL, E. M.....	Milwaukee
KLIEGEL, GEORGE W.....	Milwaukee
SCHNEIDER, HENRY.....	Milwaukee
WEIL, SAMUEL S.....	Milwaukee
WRIGHT, WALTER H.....	Milwaukee
Total, 7.	

#### *Associate:*

CHERRY, GLADSTONE.....	Milwaukee
Total, 1.	

#### *Honorary Members:*

Burchell, D. Earle.....	Madison
Gilman, S. W.....	Madison
Glicksman, Nathan.....	Madison
Scott, William A.....	Madison
Spencer, Robert C.....	Madison
Total, 5.	

### HONORARY MEMBERS OF THE ASSOCIATION

Johnson, Joseph French.....	New York, N. Y.
Kinley, David.....	Illinois
Meade, E. S.....	Pennsylvania
Total, 3.	



## Members

### Total Membership

The Total Membership of the Association at the present time is as follows:

	Fellows.	Society Fellows as well as Other Societies.	Associates.	Hon. Members of State Societies.	Total.
Fellows at Large, Original.....	65	..	..	..	65
Fellows at Large, Elected since Jan. 10, 1905.....	24	..	..	..	24
Associates at Large, Original.....	..	..	17	..	17
Associates at Large, Elected since Jan. 10, 1905.....	..	..	15	..	15
California State Society of C. P. A.'s.....	38	..	4	1	43
Colorado Society of C. P. A.'s, Inc.....	24	..	3	..	27
Connecticut Society of C. P. A.'s.....	15	5	2	2	24
Georgia State Assn. of Pub. Accts.....	9	..	..	..	9
Illinois Society of C. P. A.'s.....	58	6	1	1	66
Kentucky Assn. of Pub. Accountants.....	12	..	..	..	12
Maryland Assn. of C. P. A.'s†.....	19	1	6	6	32
Massachusetts, Inc. P. A. of.....	55	..	5	1	61
Michigan Assn. of C. P. A.'s.....	21	2	..	9	32
Minnesota Society of P. A.'s.....	10	..	7	..	17
Missouri Society of C. P. A.'s.....	30	7	3	1	41
Montana State Society of P. A.'s.....	15	..	2	5	22
N. J. Society of C. P. A.'s of State of.....	42	5	5	..	52
N. Y. State Society of C. P. A.'s.....	172	26	13	1	212
Ohio State Society of C. P. A.'s.....	57	14	4	7	82
Oregon State Society of P. A.'s.....	4	..	5	..	9
Pennsylvania Institute of C. P. A.'s.....	47	4	..	1	52
Rhode Island Society of C. P. A.'s.....	3	2	..	..	5
Tennessee Society of P. A.'s.....	17	..	..	..	17
Virginia Society of P. A.'s.....	8	..	10	6	24
Washington Society of C. P. A.'s.....	14	3	2	..	19
Wisconsin Assn. of P. A.'s.....	7	..	1	5	13
	766	75	105	46	992
Association Honorary Members.....	..	..	..	..	3
					995

### Record of Membership

in  
The American Association of Public Accountants  
1896-1910

YEARS.	Fellows.	Associates.	Societies, Honorary.	Association, Honorary.	Total.
1896	63	12	..	..	75
1897	75	14	..	..	89
1898	65	11	..	..	76
1899	67	13	..	..	80
1900	74	18	..	..	92
1901	87	25	..	..	112
1902	97	32	..	..	129
1903	103	37	..	..	140
1904	121	27	..	..	148
1905	494	93	..	..	587
1906	541	120	..	..	661
1907	573	124	..	3	700
1908	645	122	32	3	802
1909	724	107	39	3	873
1910	841	105	46	3	995





Proceedings  
The American Association of Public Accountants,  
Twenty-third Annual Meeting  
New York City  
October 17, 18, 19 and 20

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First Session, Tuesday Morning, October 18, 1910

The meeting was called to order by President J. E. Sterrett at 11 o'clock A.M.

THE PRESIDENT: The twenty-third annual meeting of the American Association of Public Accountants is now in session. By unanimous consent, we will suspend the usual order of business, and take up the program before you.

We are met on this occasion as guests of the New York State Society of Certified Public Accountants, and while I am sure it is unnecessary to introduce to you the President of that Society and the Chairman of the Committee on Annual Meeting, I do wish, however, to present to you this gentleman, as I know that you desire to express with me our sense of appreciation of the work that he has done, and of the hospitality we are receiving at the hands of the Society of which he is the representative. I take pleasure in presenting Mr. Henry R. M. Cook.

MR. COOK: Mr. President, and members of the Association, it is not my purpose at this time to take up too much of your time. A Convention such as this would indeed be imperfect, if we had not the official sanction, we will say, of the City in which it is being held. We have with us this morning one of our distinguished city officials, Hon. John Purroy Mitchel.

We are fortunate in having Mr. Mitchel with us in the sense that he, I know, is thoroughly in sympathy with accountancy and accountants. He has held the office of Commissioner of Accounts of this great municipality, and it follows, I think, that he must have a very deep seated interest in those matters,—in those professional matters,—in which we are so largely interested.

I have the honor to introduce Honorable John Purroy Mitchel, who has been recently the Acting Mayor of the City of New York. (Applause.)

Address of Welcome

BY HON. JOHN PURROY MITCHEL,

*President of the Board of Aldermen of New York City*

Mr. President, and gentlemen of the American Association of Public Accountants,—on behalf of the City of New York, permit me to extend to you a very hearty welcome.

## *American Association Year-Book*

This I understand to be your Twenty-third National Convention, and its purpose and object to be the advancement of accountancy as a profession. It seems to me that you have chosen the ground for your Convention wisely, for just as there is no city in which the need of the accountancy expert is felt more keenly than here in New York, so there should be none where the profession of accountancy is held in higher esteem. If it is your purpose to study the advancement and the achievements of accountancy, surely there could be no better field than is offered by the tremendous industrial and business organizations of the City of New York.

If your Society is interested in the municipal problem, let me say to you that nowhere in the whole range of human undertakings is there a greater opportunity for the achievements of accountancy than within the municipal government of this city, nor do I believe that there is any field in which a greater beginning, along intelligent and modern lines, is manifesting itself at the present time. Beginning only a couple of years ago, with an uncontrolled and chaotic group of departments, which blundered on their way without a knowledge of their own business or the means of securing aid, we have come, by reason of the spirit of accounting reform, first installed here by the Bureau of Municipal Research, gradually but steadily to informing records, to cost keeping, to a segregated budget, and at last to the beginning of a modern schedule, controlled by the Department of Finance, over the transactions of all the Departments of the City of New York. Why, the City of New York presented, only a few years ago, the most complicated and I believe the most difficult accounting problem in this country, and perhaps in the world, while to-day we feel that it is but a short time until our system may well be regarded as worthy of being copied by all the municipalities.

Gentlemen, even though you are able to learn nothing else from us, at least from our experience you may learn the value of dogged persistence and hard work in attacking an apparently unsolvable problem.

Again, let me say to you, that I am gratified that you have seen fit to choose this as the scene of your Annual Convention, and to extend to you the very cordial and hearty welcome of the City of New York. (Applause.)

THE PRESIDENT: The Chair will ask Mr. Westermann, of St. Louis, to respond to the address of welcome.

MR. WESTERMANN: I speak with deep and sincere feeling in expressing our appreciation of the welcome extended by the representative of the chief official of the largest city in the world, that is, if you include Hoboken and Jersey City (laughter). To be welcomed by men of large affairs and by such an important official is indeed a high compliment.

From what we have just heard, we may in a measure appreciate the responsibilities which caused Mayor Gaynor to say recently that he considered the responsibilities of the office of Mayor of the City of New York to be greater than those of the President of the United States.

While we appreciate that Mr. Mitchel's presence here is primarily a courtesy to the New York Society of Certified Public Accountants, a



## *Annual Meeting of the American Association*

courtesy well merited, it is none the less a compliment to the American Association and to our profession as a whole.

Much of the progress made and of the recognition accorded our profession is due to the persistent efforts of members of the New York Society and to their insistence upon the maintenance of high professional standards.

Great credit is due the New York Society for bringing the members of our profession in contact with men of large affairs; such contact is broadening in its effect upon the accountant and makes for wider recognition of our profession.

I take this opportunity to express the deep gratification of the American Association at the manner in which the New York Society has prepared for this annual meeting—the way in which the work has been expedited, as well as the pleasant manner in which we have been entertained.

Particularly do I wish to express our appreciation of the address of welcome by the representative of the Mayor.

THE PRESIDENT: The next matter to come before us is one of the important papers to be presented for your consideration at this meeting. The paper has been prepared by Dr. Elmer E. Brown, United States Commissioner of Education. Unfortunately, Dr. Brown is prevented by other duties from attending our meeting to-day, but he is well represented by Dr. Harlan W. Updegraff, who is also of the Commissioner of Education's office. I will ask Dr. Updegraff to present the paper prepared by Dr. Brown.

DR. UPDEGRAFF: Mr. President and members of the American Association of Public Accountants, it is a pleasure to me to present Dr. Brown's paper here to-day.

Dr. Brown's paper and discussion will be found on page 125.

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### **Second Session, Tuesday Afternoon, October 18, 1910**

The meeting was called to order at 2.30 o'clock P.M. by President Sterrett.

THE PRESIDENT: The Committee on Credentials was appointed by the Chair yesterday afternoon, and Mr. R. H. Montgomery, the Chairman of that Committee, will now present a report.

MR. MONTGOMERY: Your Credentials Committee submits the following report:

There are 23 States Societies from 21 of which we have received credentials. I will read the names of the Delegates, and if there are any corrections I trust I will be interrupted as I am reading; the Committee did not hear from all the Delegates who are present, and for that reason we depended somewhat on the information that was available.

California has 38 fellows and is entitled to 3 delegates; George R. Webster present.

Colorado has 24 fellows and is entitled to 2 delegates; Joseph H. Kingwill present.

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Connecticut has 18 fellows and is entitled to one delegate; Frederick Willis Child present.

Georgia has 9 fellows and is entitled to one delegate; Mr. Chas. J. Metz present.

Illinois has 58 fellows and is entitled to 5 delegates; Messrs. Cooper, Joplin, Reckitt, and Levi present.

Kentucky has 12 fellows and is entitled to 1 delegate; The Kentucky Society requests this Association to recognize Mr. Thomas F. Turner as a representative of the Kentucky Society.

Motion adopted.

Maryland has 19 fellows and is entitled to 1 delegate.

Massachusetts has 55 fellows and is entitled to 5 delegates; Mr. Waldron H. Rand present.

Michigan has 21 members and is entitled to 2 delegates but we have not received word as to the presence of any of the delegates or alternates.

Minnesota has 10 members and is entitled to 1 delegate; Mr. R. H. Montgomery present.

Missouri has 27 members and is entitled to 2 delegates.

Montana has 15 members and is entitled to 1 delegate.

New Jersey has 41 members and is entitled to 3 delegates; Mr. John E. Cooper present.

New York has 174 members and is entitled to 17 delegates; Mr. George Wilkinson present.

Ohio has 50 members and is entitled to 5 delegates; Messrs. E. S. Thomas, C. H. Nau, J. C. Kauffman, J. J. McKnight, J. S. M. Goodloe present.

Pennsylvania has 47 members and is entitled to 4 delegates; Messrs. Jas. W. Fernley, Herbert C. Stockwell, Adam A. Ross, Jas. M. Prigh present.

Rhode Island has 3 members and is entitled to 1 delegate.

Tennessee has 17 members and is entitled to 1 delegate; Mr. Homer K. Jones present.

Virginia has 8 members and is entitled to 1 delegate; W. P. Hilton present.

Washington has 14 members and is entitled to 1 delegate.

Wisconsin has 7 members and is entitled to 1 delegate.

Fellows-at-Large elected since January 19th, 1905, in good standing, 20, entitled to 1 delegate.

Original Fellows-at-Large voting by proxy—proxy T. Cullen Roberts.

With the consent of the Committee Hiram E. Decker, a Fellow-at-Large in good standing, will vote by proxy held by Mr. McWhorter.

There are 669 Society Fellows; 20 new Fellows-at-Large represented of those present from the original Fellows-at-Large whom we do not have before us.

R. H. MONTGOMERY, *Chairman.*

JOHN B. GEIJSBEEK.

W. SANDERS DAVIES.

*Committee on Credentials.*



## *Annual Meeting of the American Association*

THE PRESIDENT: You have heard the report of the Committee on Credentials.

Upon motion duly seconded the report was accepted.

The next matter is the confirmation of the minutes of the preceding meeting. Heretofore this has been done by a resolution adopting the minutes as they have been printed in the Year Book.

MR. WEISS: I move that the minutes of the last annual meeting as printed in the Year Book be adopted. (The same was adopted.)

THE PRESIDENT: The next item in order is the reports of officers, and under that heading the President has been asked to present a short address.

(The President's address will be found on page 140.)

THE PRESIDENT: Is there any discussion on this address?

MR. MONTGOMERY: I move that the report be received and printed either in the Year Book or in the Journal of Accountancy. Motion carried.

THE PRESIDENT: Next is the report of the Board of Trustees—the Secretary will kindly present it.

### **Report of the Board of Trustees**

The Board of Trustees has given attention to many matters of importance, among which is the Report of the Committee on By-Laws, copies of which have been distributed to all members. The Board of Trustees transmit this report for your consideration.

The membership continually increases. The Committee on Examinations, Qualifications and Elections have reported favorably upon the admission of 121 additional members, comprising 96 Society Fellows, 22 Society Associates and 3 Member Associates at Large. Eleven Society Associates have been advanced as Society Fellows. This does not, however, increase the membership. The total membership is now 995.

The Appropriations Committee have submitted a budget which has been approved by the Board. The most notable increase is in favor of the Journal of Accountancy. This has been increased from \$500 to \$1,000 per annum.

The Auditor's report shows a total to the credit of surplus or Accumulated Funds amounting to \$2,014.69, an increase of \$661.34 over the amount to the credit at the conclusion of the year preceding this.

The Board has to report that through a special committee a Guarantee Fund has been secured to supplement the income from dues. This fund has been raised by individual subscriptions, guaranteeing a period of three years from October 1, 1910, and now amounts to \$4,400 per annum. Subscriptions were limited to an amount of \$25 and no subscriptions have been received from firms or corporations. This fund is now available and with the ordinary income from membership dues, the Association will have a revenue of approximately \$9,000 per annum for the coming three years.

The committee on Accounting Terminology has been at work during

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the year and while substantial progress has been made, the work of the committee is not sufficiently advanced to make it advisable, in the judgment of the Board, to present at this time a report, and the whole subject has therefore been referred to the incoming Board of Trustees with a recommendation that the work on this important subject be continued.

The following resolution is offered by Mr. Sells, and your Board transmits it with its favorable recommendation.

*"Resolved*, that the acts of this Association at its various meetings, held outside of the State of New York, are hereby ratified, confirmed and approved."

The thanks of the Trustees and other members are heartily given to the gentlemen who have contributed valuable papers which will be presented at this meeting and to other societies for copies of their Year Books or other reports.

The thanks, too, of the Association are cordially given to the New York State Society of Certified Public Accountants for the generous entertainment given to the members at the present convention.

On behalf of the Board of Trustees.

J. E. STERRETT, *President*.

T. CULLEN ROBERTS, *Secretary*.

THE PRESIDENT: The report of the Board of Trustees carries with it the accounts and reports of the committees. Is it your desire that the report of the Treasurer should be read in connection with the Trustees' Report? The Chair hears no call for it, so it will be printed in the usual course. What is your pleasure with regard to the report of the Board of Trustees?

MR. MONTGOMERY: I move it be accepted and that the recommendations therein contained be adopted.

The motion being duly seconded was carried and the recommendations were thereupon adopted.

The Reports of Committees and Reports of State Societies will be found on pages 71-96.

THE PRESIDENT: The point has been raised that a resolution contained in the report should be adopted by a separate vote. The resolution is:

*"Resolved*, that the acts of this Association, at its various meetings held outside of the City of New York, be, and the same are, hereby ratified, confirmed, and approved."

Upon motion of Mr. W. Sanders Davies, seconded by Mr. J. A. Cooper, the resolution was unanimously adopted.

THE PRESIDENT: The Board has transmitted certain matters upon which action is desired. First of all is the report of the Committee on By-Laws, copies of which have been distributed generally. The Board of Trustees has transmitted this report without recommendation.

MR. ADAM A. ROSS: Your Committee on By-Laws beg to offer the following amendments:

After considerable discussion on the part of the convention the By-Laws were adopted first section by section and finally as a whole. (The Constitution and By-Laws will be found beginning on page 259.)



## *Annual Meeting of the American Association*

THE PRESIDENT: We have now disposed of all the Committee reports and the next matter of business is the election of officers.

MR. MONTGOMERY: I move we adjourn until tomorrow morning at 10 o'clock. Motion carried.

The meeting adjourned.

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### **Third Session, Wednesday Morning, October 19, 1910**

The meeting was called to order at 11 o'clock A.M. with President Sterrett in the Chair.

THE PRESIDENT: The meeting will come to order. Mr. Montgomery, on behalf of the Committee on Credentials, has an announcement to make.

MR. MONTGOMERY: The State of Ohio is entitled to four additional votes and New Jersey to one additional vote. Mr. Ballingall presents the proxy of Mr. Duncan MacInnes, a Fellow-at-Large. I move that the action of the committee be confirmed. Motion carried.

THE PRESIDENT: The first order of business this morning is the election of officers. We have to elect a President and Treasurer and three Trustees. Then we must fix the place of the next Annual Meeting, after which we will elect two Auditors. Voting is by ballot and the Chair will appoint as Tellers of the Election Mr. Waldron H. Rand of Massachusetts and Mr. John F. Forbes of California.

The first officer to be elected is the President. Nominations are in order and the Secretary will call the roll of the States.

SECRETARY ROBERTS: California.

DELEGATE FROM CALIFORNIA: California yields to New York.

MR. WILKINSON: Mr. President and Fellow Members of The American Association of Public Accountants.—The New York Society delegation has just met in caucus and has unanimously instructed me, as its Chairman, to put in nomination a member of the New York State Society of Certified Public Accountants. It has particularly impressed upon its Chairman its desire to make it perfectly clear to all the members of the American Association present at this convention that it has carefully considered this question. The New York Society has been on the lookout during these last two days for a candidate from the West, feeling that it was fitting if there was a candidate from the West nominated by his own society, that the New York vote should be cast in favor of such a candidate. New York feels that it has no wish to thrust forward any member of its own in the face of a strong movement for any other member of the Association, and particularly in the face of any such strong movement coming from the West. At a previous meeting of the New York delegation the Chairman was instructed specifically to be diligent in this regard, and during the few days that have passed he has been on the lookout for such a candidate. The Chairman was told not to put forward the name of a member of our Society until he had fully satisfied himself that no such condition as has been described presented itself. The Chairman who has been diligent during these past few days in that regard, reported that no such delegate as described had been nominated

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in his hearing. Under these conditions the New York delegation has instructed me to bring forward a candidate of its choice.

Now, Mr. President and Gentlemen, I would like to do as I am bid by my delegation. When I received from the Secretary of the New York State Society a letter telling me that I had been unanimously elected the Chairman of the New York delegation I experienced a peculiar feeling of satisfaction in that regard because I thought that it would afford me an opportunity to come before you and nominate for your consideration, as President of the American Association, a very dear friend of mine, a fellow townsman, a close neighbor,—a man whom I have known intimately for the last eight years. I first met the gentleman who has been chosen by the New York delegation in September, 1902, at Washington, D. C., when the several Associations and societies of public accountants in the United States of America were called upon to send delegates to a conference to determine whether they should organize a national organization. The meeting was largely attended and today that national organization is a pronounced success. The gentleman I refer to was then a member of the New York delegation and is one of those who helped to make this national organization a success. That gentleman has been constantly associated,—and with great credit,—with The New York State Society of Certified Public Accountants. For the last two years he has been first Vice-President of the New York Society, and has always, since 1902, been one of the delegates chosen by our society to represent it at the conventions of the American Association, or of the Federation of Societies of Public Accountants, which preceded the American Association in that regard.

He is a gentleman, in the opinion of the New York delegation, eminently fitted to bear the great responsibility of the office of President of the American Association of Public Accountants. He was born in the State of New York; he was educated in this City and has been a New Yorker all the way through. He has been associated with very many of the most useful activities of American Association since 1905 when the amalgamation of the American Association and the Federation took place.

Gentlemen, I will not detain you longer,—I have the pleasure and honor to put before you, in nomination for the office of President of the American Association of Public Accountants, the name of Mr. Edward L. Suffern. (Applause.)

MR. FERNLEY (Pennsylvania): Pennsylvania takes a great deal of pleasure in seconding the nomination of Mr. Edward L. Suffern.

MR. COOPER (Illinois): It is with infinite pleasure and sincere regard that Illinois also seconds the nomination of Mr. Edward L. Suffern. Mr. Suffern is a man who in every way stands in the highest esteem of the Illinois Society. It is within the recollection of the speaker that, at the time when the organization was young, and the first President of this renewed organization needed all the available help in his new field,—it was the speaker's pleasure, as a Trustee, to assist the President at that time, and I recall with a great deal of pleasure having mentioned Mr. Suffern for an important office on one of the Standing Committees.



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I recall also that Mr. Suffern, on every annual occasion such as this, has been very active, diligently alert, and governed by the highest purposes for the good of the profession, and as I just said, Illinois, spontaneously, and with the heartiest accord, seconds the nomination. (Applause.)

SECRETARY ROBERTS: Will Colorado make a nomination?

MR. KINGWILL (Colorado): Colorado yields to Massachusetts.

MR. FRENCH: When the Massachusetts delegation were elected to this convention, they came entirely uninstructed, and with an open mind. We recognized the high principles which Mr. Wilkinson has mentioned, and felt that, if the West put forward a candidate, he should be recognized, as the East has been in the past. We found on our arrival here that the West had no candidate, and some of the Western members were urged to put forward some one who would be very acceptable to them, one of our Massachusetts members, and we have therefore decided to put forward one of our members, and as representing the delegation from Massachusetts, it gives us great pleasure, and we feel highly honored, to place in nomination the name of a man who is well known to you all, and whose qualifications, I think, need no comment on my part—one who has always been an active worker, a conscientious officer, one of the original founders of the Massachusetts Association, and who is greatly esteemed, and of whom I think I can say that his connection with the American Association in the past will eminently qualify him for the high office of President of the American Association. I therefore, Mr. Chairman, and fellow members, place in nomination for the office of President of the American Association of Public Accountants, the name of Harvey S. Chase of Massachusetts.

MR. GEIJSBEEK: As one of the delegates of the State of Colorado, I wish to second the nomination of Mr. Chase, for President of this association, and while doing so I wish to say that Mr. Chase is an honorary member of the Colorado Society and furthermore that Colorado would not be here to-day if it were not for Harvey S. Chase. He came out from Boston and made Colorado famous (applause) and in recognition of his services I therefore second his nomination. (Laughter and applause.)

MR. GOODLOE: Mr. Chairman, on behalf of the Ohio Society I take great pleasure in seconding the nomination of our friend from Massachusetts. We have never in Ohio—as you know—believed in putting forward a candidate for any office from the President of the United States down to Constable, but we like to have something to say about it, and we are also believers in that old doctrine that the office should seek the man. In this case we have had to labor with our friend, and we have had to provide a committee to tie him down to keep him from jumping over the traces. I take great pleasure in seconding the nomination of Mr. Chase.

SECRETARY ROBERTS: Does Connecticut wish to make a nomination?

DELEGATE FROM CONNECTICUT: Connecticut has no nomination to make.

SECRETARY ROBERTS: Georgia? (none). Kentucky? (none). Louisiana? (none). Michigan? Missouri? Montana? (none). New Jersey?

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MR. JOHN E. COOPER: The New Jersey delegation seconds the nomination of Mr. Harvey S. Chase.

SECRETARY ROBERTS: Oregon? (none). Ohio?

MR. E. S. THOMAS (Ohio): Ohio in its modesty declines to make any nomination. (Laughter.)

SECRETARY ROBERTS: Rhode Island? (none). Tennessee? (none). Virginia? (none). Washington? (none). Wisconsin? (none). Have the Members-at-Large any nomination to make?

MR. PETER BALLINGALL: Your Fellows-at-Large second the nomination of Mr. Harvey S. Chase.

MR. MONTGOMERY: I move the nominations close. Motion carried.

THE PRESIDENT: The nominations are now closed. The Tellers will distribute ballots.

Upon a ballot being taken the following result was reported:

TELLER RAND: Your Tellers would respectfully report the ballots cast as follows: Mr. Edward L. Suffern, 462 ballots; Mr. Harvey S. Chase, 214.

MR. HARVEY S. CHASE: It is with great relief for myself and with great satisfaction for the Association, as well as expressing a well deserved tribute to the gentleman who is in nomination and who has been elected, that I move to make this election unanimous. (Prolonged applause.)

MR. E. S. THOMAS (Ohio): As Ohio seconded the nomination of Mr. Chase, it takes pleasure in seconding the motion to make the election of Mr. Suffern unanimous.

MR. KINGWILL: Colorado also seconds the motion of Mr. Chase.

The motion was carried with enthusiasm.

THE PRESIDENT: I declare Mr. Edward L. Suffern elected unanimously as President of this Association for the ensuing year.

MR. MONTGOMERY: I move a committee be appointed to notify Mr. Suffern of his election. The motion was carried.

THE PRESIDENT: The Chair will appoint on that committee Mr. Wilkinson and Mr. Goodloe. They will kindly find Mr. Suffern and escort him to the platform.

MR. MONTGOMERY: I would like to have the unanimous consent to offer a resolution at this time.

*Resolved:* That the Secretary of the Association be instructed to record as the minutes of this convention only the resolutions that have been acted upon.

The motion is carried.

MR. WILKINSON: The Committee appointed by the Chair to produce the victim has to ask the privilege of reporting later as the President-elect has escaped. We hope to find him before the meeting is over and bring him to the platform.

THE PRESIDENT: We will now proceed to the election of Treasurer. In order to save time the Chair will ask for nominations from the floor without calling the roll.

MR. E. S. THOMAS: As I said before Ohio is extremely modest. It has supplied you with several Presidents of the United States, has one



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now and it hopes to give you another, but it cannot refrain from putting in nomination, as Treasurer of this Association, a man who is so well known to all of you that he needs no eulogy at my hands for he has been the Treasurer of this Association long enough for you all to determine his ability. I take pleasure in nominating Mr. H. A. Keller of Ohio. (Applause.)

MR. MONTGOMERY: On behalf of Minnesota I desire to second the nomination of Mr. Keller.

MR. FERNLEY: Pennsylvania also desires to second the nomination of Mr. Keller.

MR. WILKINSON: The New York Society begs to second the nomination of Mr. Keller.

MR. JOHN E. COOPER: New Jersey also takes great pleasure in seconding the nomination of Mr. Keller for Treasurer.

MR. HALL: On behalf of Maryland I wish to second the nomination of Mr. Keller.

MR. CHASE: I move that the nomination for Treasurer close.

The motion was carried.

MR. STOCKWELL: I move that the Secretary be instructed to cast one vote for Mr. Keller as Treasurer of this Association.

The motion was carried.

TELLER RAND: Your tellers have the honor to report that one ballot having been cast, Mr. H. A. Keller as Treasurer of the American Association is unanimously elected.

THE PRESIDENT: Mr. Keller, I declare you unanimously elected Treasurer of the Association for the ensuing year.

MR. KELLER: Mr. President and gentlemen, I am not a speechmaker and I therefore just thank you for the honor you have conferred upon me today. (Applause.)

THE PRESIDENT: We will now proceed to the election of three Trustees to succeed Harvey S. Chase, J. Porter Joplin and J. S. M. Goodloe and one for the unexpired term of Mr. Suffern who has just been elected President.

MR. WILKINSON: It affords me a great deal of pleasure to follow the instructions of the New York Society and nominate as a Trustee a gentleman who has served us so well and faithfully these last two years; a gentleman who has given of his time very unselfishly indeed, to the interest of the American Association in a manner that few of you have been given the opportunity to realize. Only those who have been in very close touch with him do realize to what extent the present President of this Association has devoted his time to this interest of the Association. I have the honor to present to you on behalf of New York for the full term of three years the name of Mr. Joseph Edmund Sterrett. (Applause.)

MR. E. S. THOMAS: On Behalf of Ohio I take great pleasure in seconding the nomination of Mr. Sterrett.

MR. FERNLEY: Pennsylvania would like to have the honor of putting the name of Mr. Jos. E. Sterrett, but as New York has superseded her

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I shall have to take the honor of seconding the nomination of Mr. Jos. E. Sterrett.

THE PRESIDENT: Mr. Thomas, will you take the Chair and preside for a few moments?

(Mr. E. S. Thomas takes the chair.)

THE CHAIRMAN: We will proceed to nominations from the floor and not by States.

MR. FERNLEY: On behalf of Pennsylvania I would like to put in nomination a man who for a great many years has always been one of the active workers and so far as I know has been to every meeting of the Trustees since his election thereto, and prior to that was always a delegate. Having been attendant at all the meetings of the Board of Trustees, he has become familiar with the working and has become very competent, I therefore offer in nomination the name of Mr. J. Porter Joplin of Illinois.

MR. HARVEY S. CHASE: I desire to put in nomination a member of the Massachusetts Society, a gentleman who has been President of our Society, now its Treasurer, and who has a long and honorable record with us. If Massachusetts is entitled to the honor of representation on the Board of Trustees, we are unanimous in the nomination of Mr. Herbert F. French.

MR. CARL H. NAU: On behalf of the great State of Ohio I desire to place in nomination the name of Mr. J. S. M. Goodloe. He has been most painstaking in his duties and regular in attendance upon the duties of his office at the American Association Board of Trustees' meetings. In all seriousness I think all the gentlemen here present know Mr. Goodloe, and know how faithfully he has always served the Association and I desire to nominate him for the full three years' term.

MR. LEVI: On behalf of Illinois I desire to put in nomination the name of Mr. Ernest Reckitt.

MR. MONTGOMERY: On behalf of the State of Minnesota I desire to make two nominations for the full term of three years. I desire to nominate Mr. John B. Geijsbeek of Colorado and Mr. H. S. Westermann of Missouri.

MR. JOHN E. COOPER: On behalf of New Jersey it gives me pleasure to second the nominations of Mr. Joplin and Mr. Harvey S. Chase.

MR. WILKINSON: May I ask, Mr. Chairman, for a recess of a few moments while we bring Mr. Suffern in as he is without, waiting to come in.

THE CHAIRMAN: If there is no objection we will grant this privilege.

MR. WRIGHT: Missouri desires to second the nomination of Mr. Westermann.

THE CHAIRMAN: Will Mr. Suffern please take the platform. (Prolonged applause.)

MR. EDWARD L. SUFFERN: Gentlemen, I have to thank you for a very distinguished honor. Some of my friends have been good enough to congratulate me, and I feel most sincerely that these congratulations might be better expressed, and that these friends should say that they



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are sorry for me and that they have sympathy with me. Certainly that is precisely the way I feel at this moment. I also feel that the Association is entitled to some commiseration and that it should share in that sentiment which I feel at present. I am afraid that an enforced absence this morning has resulted somewhat unfortunately. Had I been here I very much question whether I should have been called upon to stand here in the capacity I am now standing. Had I been here it would have given me the greatest of pleasure to have withdrawn my name and to insist upon doing so in favor of my distinguished and esteemed friend, Mr. Harvey S. Chase, and I am extremely sorry I was obliged by business to be away at that particular time.

To-morrow's programme calls for the formal induction into office of the new officers and I will reserve anything else I may have to say until that time. I am sincerely grateful to you for the high honor—and esteemed honor—you have conferred upon me. (Applause.)

MR. HARVEY S. CHASE: I am very much obliged to New Jersey for her nomination but I desire to withdraw my name.

MR. JOHN E. COOPER: New Jersey objects to the withdrawal of Mr. Chase's name.

MR. CHASE: I might explain that Mr. Chas. H. Tuttle, one of my partners, is now President of the Massachusetts Society, and therefore on the Board of Trustees. Under those conditions I must withdraw my name for nomination.

MR. FERNLEY: I move the nominations for the three years' term of Trustee be closed.

The motion was carried.

THE CHAIRMAN: Mr. Patterson has an announcement to make, and he will do so now while the tellers are counting the votes.

MR. PATTERSON: By the permission of the President of this Association and as instructed by the President of the Board of Examiners, I take the liberty of stating that the National Certified Public Accountant Examiners will meet this afternoon in room "M"—the last room on this hall on the east side.

THE CHAIRMAN: The tellers are now ready to announce the vote for Trustees.

TELLER RAND: Your tellers beg leave to report on the following for the three Trustees:

There have been 641 ballots cast for the candidates in the following order: Sterrett, 633 (applause); Goodloe, 435 (applause); French, 256 (applause); Joplin, 253 (applause); Reckitt, 172 (applause); Geijsbeek, 165; Westermann, 111 (applause).

THE CHAIRMAN: 641 ballots have been cast and it requires 321 ballots to elect, therefore I announce that the only elections are those of Mr. Sterrett and Mr. Goodloe, the other nominees not having received a majority. What is your pleasure.

MR. RECKITT: I desire that my name be removed.

MR. WESTERMANN: I desire also to withdraw my name.

MR. MONTGOMERY: I move we proceed to take another ballot.

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The motion carried.

THE PRESIDENT: While the tellers are collecting and counting the ballots Mr. Patterson has another announcement to make.

MR. PATTERSON: Gentlemen, I am requested to announce that the Registration Bureau will close at four o'clock this afternoon and everybody is requested to register before that hour. This is made necessary because the list must be sent to the printer by five o'clock in order to have it ready for the Banquet. Please see the Registration Clerk at once concerning the matter.

MR. CHASE: Mr. President, in the absence of Mr. Gano, who has had charge of the matter, I can say that arrangements for the tournament have been made most satisfactorily. The Golf Association, as you know, is a sort of movable feast, and we are expecting a very good time this year as we shall have an exceptionally interesting course at New Rochelle. We will take the 9.06 train at Grand Central Station Friday and we will have a whole day on the Links and the games will be on a handicap basis. There will be three prizes if not more; probably two course prizes and one other, and the ladies are invited as well as the men. We hope we shall have a large crowd and a good time, and you don't want to miss it. Please give your names to Mr. Gano or Mr. Montgomery, or myself, and we will see that you are properly recorded.

TELLER RAND: Mr. President, your tellers are ready to report on the ballots as follows:

Total number of ballots cast .....	674
Mr. French .....	261
Mr. Geijsbeek .....	250
Mr. Joplin .....	163

As there has not been a majority of votes cast for any one candidate there is no election.

THE PRESIDENT: Proceed to take another ballot.

TELLER RAND: Your tellers are again ready to report—

Total number of ballots cast .....	671
Mr. Geijsbeek receives .....	282
Mr. French receives .....	243
Mr. Joplin receives .....	146

and your tellers regret to report that there has been no election.

THE PRESIDENT: Proceed to ballot again.

TELLER RAND: Your tellers beg to report the following:

Total number of ballots cast.....	646
Mr. Geijsbeek receives .....	266
Mr. French receives .....	236
Mr. Joplin receives .....	144

and your tellers regret that there has been no election.

MR. TEELE: I move we adjourn to meet at 2.30. Motion lost.

MR. JOPLIN: Mr. President, I beg to withdraw my name as a candidate for Trustee.



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THE PRESIDENT: You will proceed to ballot on the two remaining names.

MR. WILKINSON: With the consent of Mr. French New York will throw its vote to the count of Mr. Geijsbeek.

MR. FRENCH: I beg to withdraw my name.

MR. FERNLEY: There now being but one candidate before the meeting I move that the Secretary be instructed to cast that ballot for Mr. Geijsbeek, the only nominee.

TELLER RAND: Your tellers report the election of Mr. Geijsbeek as Trustee.

THE PRESIDENT: I declare Mr. Geijsbeek elected a member of the Board of Trustees.

MR. GEIJSBEEK: I was not prepared for this honor, but I appreciate it, and I believe I can do the Association some good as I have tried to do in the past.

I wish to thank my friends for the tenacity with which they have stuck to me and I trust you will have just reason to be proud of me at the end of the term of my office.

MR. GOODLOE: I beg in all modesty to present the name of Mr. Joplin of Illinois to fill the unexpired term of Mr. Suffern.

MR. JOPLIN: I beg to present the name of Mr. Hall of Maryland.

MR. KINGWILL: I second the nomination of Mr. Joplin.

MR. COOPER: I second the nomination of Mr. Hall.

MR. WILKINSON: I move that we adjourn until two o'clock this afternoon.

The motion being seconded by Mr. Thomas prevailed and the meeting adjourned until 2.00 o'clock P.M.

### **Fourth Session, Wednesday Afternoon, October 19, 1910**

The meeting was called to order at 2.30 o'clock P.M. with President Sterrett in the Chair.

THE PRESIDENT: When we adjourned for luncheon we had completed the election of the three Trustees and were about to proceed to fill the unexpired term of Mr. Suffern.

MR. WILKINSON: New York would like to second the nomination of Mr. Charles O. Hall. We feel that Maryland is entitled to a seat on this Board in addition to the seat it claims through its President. Maryland has always been very attentive indeed in its duties toward the American Association; has always been in attendance at our meetings. There has been a desire I know, on behalf of some of the delegates, to give Maryland a seat at previous conventions, but for some reason or other the plan has always fallen through. Gentlemen, I have great pleasure in seconding the nomination of Mr. Charles O. Hall of Maryland.

MR. MONTGOMERY: I move the nominations close.

MR. JOPLIN: I beg to withdraw my name as a nominee.

THE PRESIDENT: This leaves then but one name for us to ballot on.

MR. WILKINSON: I move that the Secretary be instructed to cast one ballot as is usual in the case of one nominee.

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**TELLER RAND:** Your tellers beg leave to report that a unanimous vote has been cast for Charles O. Hall as Trustee to fill the unexpired term of Mr. Suffern.

**THE PRESIDENT:** The next in order is the selection of the place of meeting in 1911.

**MR. WEISS:** The New York delegates have not had an opportunity to caucus on the possible meeting places, and I beg to offer it as a motion that we defer the action on the next meeting place until to-morrow. I understand some of the other eastern delegates wish to confer among themselves, and in order that we may be well prepared to consider the subject, I would move that we defer action on the meeting place until to-morrow morning.

The motion was lost.

**THE PRESIDENT:** If the Chair be permitted to make a suggestion he would say that in respect to this matter it has been usual to entertain invitations from State Societies.

The Chair will ask if there are any invitations to be extended at this time.

**MR. GEORGE R. WEBSTER (California):** Mr. President and gentlemen, on behalf of the California State Society of Certified Public Accountants, I have great pleasure in extending to the American Association a cordial invitation to hold their 1911 Annual Meeting in San Francisco. As at present constituted, we are rather a young society and I think possibly that if it had not been for the poetical effusion of Harvey S. Chase regarding the Boston beans in connection with which the Pacific Coast was suggested for 1911, we might have felt some bashfulness about the matter. We might have been inclined to wait until we hold the Panama Pacific Exhibition in 1915, but after the suggestion of Mr. Chase we decided that we would go ahead and extend this invitation to the American Society. It might be urged that San Francisco is a long way from the Bowery, but I would like to point out that we have sent delegates East or anywhere that the conventions have been held, and we think that it is only right that the visits should be returned, at least occasionally. After all San Francisco nowadays is not so far from New York; we did a morning's work in San Francisco on Thursday morning and we were here for the Trustees' meeting on Monday morning; Saturday is a half day and Sunday doesn't count so we only lost one entire business day (applause). I wouldn't, however, urge anybody else to try that, because there are so many other attractions on the way to California. In fact I think the Transportation Committee will have hard work in advising any particular route. A great many would like to go by Denver and renew their acquaintances of last year, and then go through some of the gorges and passes and mountains by way of Salt Lake City—and see Salt Lake City—and possibly Reno (laughter), or they might like to come around by the Southern route, stop in Arizona and see the Grand Canyon, or they might go by the Northern route and visit St. Paul friends; and take in the Yellowstone Park and see the great coast cities of Seattle, Tacoma and Portland. After they get to California they might want to



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linger among our snow-clad peaks, the Yosemite Valley, our young orchards, our vineyards, our flower gardens, our oil fields, our beaches, or any of our numerous attractions.

Then when they come to San Francisco they will see the last thing in cities. We still have our Harbor, our Bay, the Golden Gate, and the Pacific Ocean as they were, but since the fire of 1906, which followed the correction of a slight geological fault, which we are told occurs in our peninsula, we have spent upwards of \$300,000,000 in rebuilding San Francisco, and I think all Californians are proud of that record, and I am sure it should be of interest, and should excite the admiration of all visitors, and I am sure you will be delighted to see the progress which has been made in building up a new city.

You have already experienced Western hospitality and I assure you that in California we will endeavor to keep up the high standards set by our Colorado friends. I therefore invite you to come to San Francisco, and make a motion that the Association will select California as the place for the 1911 meeting. (Applause.)

MR. GOODLOE: I feel that as a representative of the Golden West—and by way of explanation would say that I have the honor of being a delegate from California as well as having the honor of being from that great and glorious but modest state of Ohio—I can hardly add anything to the glowing description of our friend, Mr. Webster. His modesty, however, is equal to my own (laughter) and he has only barely touched upon the hospitality of California. I speak from experience. It was my good fortune last year to visit our friends in California and I have never been able to find words to express my feelings on the subject of their good fellowship and hearty welcome and I take great pleasure, not only as a delegate from California, but as a representative of Ohio in seconding Mr. Webster's motion.

MR. KINGWILL: On behalf of the Colorado delegation, I take great pleasure in seconding the motion that the next Annual Meeting be held in San Francisco. I think it was tentatively understood at the Denver meeting last year that the 1911 meeting should be held in San Francisco. Of course it could not be formally arrived at at the meeting of last year in selecting a somewhat extended programme of cities to be honored with the Annual Meeting of the Association for several years to come, but I don't think anything has since transpired to upset that arrangement. I would like, however, to incorporate in that motion, that it be made a proviso that whichever way the delegates go or come, one way should at least include Denver.

MR. MONTGOMERY: I second the motion of Mr. Webster but I do not second the motion of Mr. Kingwill that the delegates should go by way of Denver. I represent the great State of Minnesota and I believe as the delegates go to California they will, after inspecting all the other routes, go by way of St. Paul, and on behalf of the Minnesota Society I extend a most hearty welcome to stop over both ways. (Laughter.)

MR. WILKINSON: As a member of the Illinois Society of Public Accountants I would like to speak on this motion. As my friend and col-

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league of the New York delegation, Mr. Weiss, has made a suggestion, I do not feel myself at liberty to speak as Chairman of the New York delegation. There seems to be quite a chorus here of those gentlemen who have been out West and who have visited the Golden Gate and the beautiful city of San Francisco, and there is little left for me to say, but I should like to say that on the two occasions since the organization of the national body of Public Accountants in 1902, I have had the pleasure of visiting San Francisco, and I find myself in the same position as my friend Mr. Goodloe finds himself in—of being unable to express the pleasure I had in being entertained by the California Society; though at that time it was not the California State Society as now. A great many things have happened since I was in San Francisco and I am sure we are anxious to see what has been done. I hope that the invitation of California, which was so ably seconded, will be accepted by the American Association of Public Accountants.

MR. COOPER: Mr. Wilkinson has spoken for Illinois but I simply want to efface the gentleman for the time being and say that we as delegates from Illinois were instructed to second the invitation to hold the convention in San Francisco, and it is for this reason I rise to second the motion.

MR. WRIGHT: The Missouri Society would like to second the proposition to go to San Francisco, but you must be sure and pass one way through the great state of Missouri and visit the cities of St. Louis and Kansas City, and we would be very glad to have some of the members stay with us and we would try to entertain them in any way we can.

MR. COOK: I think we all seem unanimous in choosing the state of California and city of San Francisco for the next meeting—the only question seems to be the places at which we shall stop off.

Now I would suggest that you stop off at Plainfield where our friend Mr. Suffern resides. (Laughter.)

MR. SUFFERN: On behalf of Plainfield, I second the suggestion of my friend, Mr. Cook, and I hope you will do us the honor of stopping off. The trains run out there every few minutes and if you miss one, just wait a few minutes and take another. (Laughter.)

MR. GOODLOE: If I might be excused for saying so, it seems to me that it might be possible—in paying all these visits—to stop off and visit the scenes of our past conquests, and that it would be most opportune to visit most of our leading cities in the great and glorious state of Ohio, Cleveland, Cincinnati and Columbus. Thanks to Mr. Cooper's diligent efforts, all trains now stop at Columbus without being flagged. (Laughter.)

THE PRESIDENT: Gentlemen, the motion before the house is that the next Annual Meeting be held in San Francisco, California. What is your pleasure?

The motion was unanimously carried.

MR. WEBSTER: All I can do now is to thank you for accepting the invitation in such a cordial manner and I am sure California will extend to you a very hearty welcome when you come out there.



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THE PRESIDENT: We will now proceed to the election of two auditors. Under the By-Laws it is required that there shall be "Two auditors, who shall be fellows or associates of this association, but not Members of its Board of Trustees, and who shall reside in or near the place selected for the next annual meeting." Nominations for two auditors are now in order.

MR. JOPLIN: Mr. President, I would like to place in nomination the name of a gentleman who is not here present, but who has been at many of the annual meetings the last few years, who lives adjacent to San Francisco, and that is Mr. W. R. Mackenzie, of Portland, Oregon.

MR. GOODLOE: On behalf of California and Ohio I beg to place in nomination the name of Mr. Norman McLaren.

MR. MONTGOMERY: I move the nominations for auditors be closed.

The motion carried.

MR. FERNLEY: I move that the Secretary be instructed to cast one vote for the two nominees.

TELLER RAND: One vote having been cast by the Association, Messrs. Mackenzie and McLaren are elected auditors for the ensuing year.

THE PRESIDENT: I declare these gentlemen elected auditors for the ensuing year.

We will now take up new business. Has any gentleman anything to bring up under this heading?

MR. RECKITT: I would like to offer the following resolution:

"*Resolved*, That while this Convention highly appreciates the excellent work of the Committee appointed to provide a Special Guarantee Fund to provide for a salary adequate to secure the services of a Secretary who will devote his entire time and energies to the interests of this Association, and that as an emergency the course adopted was the only practical policy; it is the sense of the delegates of this convention assembled, that it is not expedient as a permanent policy, for any part of the expenses of this Association to be provided for out of Special Subscriptions made by individual members; but that all expenses should be paid for by the Association as a whole, and that this convention recommends to the incoming Board of Trustees the adoption of such a policy, and the amendment of the By-Laws, if necessary, so that after August 31, 1911, the income of the Association, from its members, shall be sufficient to meet all of its expenses."

MR. WILKINSON: I would like to second that resolution, Mr. President, and I would like to say at the same time, as Secretary of that Special Committee, that a great many members from all quarters of the country have expressed just this view. One or two of the societies, having met and considered the matter, expressed the same view. After careful thought, it was considered by the Committee—of which you, Mr. President, were Chairman—that the only practicable way of securing immediate action on this matter was to raise a guarantee fund in the manner that it has been raised, which is very familiar to all of you. It is not pledged for any definite time, it is strictly a *guarantee fund* and it exists for three years. It is not contemplated that this shall go on for an

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indefinite period. During the second year, if the income of the Association can be increased in other ways, the guarantors would only be called upon for part of their guarantee. In the third year it is hoped that the income of the Association will be sufficient to carry the entire charges, and therefore that the guarantors would not be called upon for anything at all. In other words, these guarantors say that so far as their guarantee goes, which is now \$4,400, they will stand for this expense, in some form or other. I am in hearty sympathy with the purpose of this resolution. It is certainly in accord with the thoughts expressed by those who have had most largely to do with the matter during the past few months. I think the resolution should be unanimously adopted.

THE PRESIDENT: Is there any further discussion on the resolution, if not, what is your pleasure?

The resolution was unanimously adopted.

THE PRESIDENT: Is there any other matter to be brought up by any member? If not, we will now pass to the consideration of the paper entitled—"The Proper Form of Balance Sheet," by Mr. William H. Roberts, C.P.A. Mr. Roberts is not able to be with us, being detained in Chicago by other matters. Mr. Gore, his business partner, was to be here and present the paper—is Mr. Gore in the room?

While we are waiting for Mr. Gore, Mr. Kauffmann wishes to make an announcement.

MR. KAUFFMANN: A meeting is called for the National Association of Examiners in room "M" at 4 o'clock. I would very much like to have all Examiners—whether Past or Present—present at this meeting. The President, Mr. Chase, is absent, therefore I, as Secretary, make this announcement.

THE PRESIDENT: Mr. Gore is unavoidably detained and Mr. Levi, as a member of the Illinois Society, will present the paper.

Mr. Roberts's paper and discussion will be found on page 148.

MR. LOOMIS: Is there anything provided by our Society as to the results of this discussion, which will appear in the Year Book, or the JOURNAL OF ACCOUNTANCY? We remain when we leave exactly in the same attitude that we were yesterday.

We have listened with great interest and profit, but it has led to no accomplishment; unless some reference is made to a Committee or otherwise, it would seem to me that we have not taken even a step forward. It is possible to standardize, that is, the fundamental principles. Every condition we meet shows a varying condition, but we may set up a standard. I merely speak of this, hoping that some of the younger members may take it and put it in position or condition where the Association can profit. We who are here do profit, but those who are not present can hardly do so, and I would like very much if some one would move that a Committee be appointed to which this might be referred, and that later we have a report of that Committee which will result, perhaps, in the standardization of the balance sheet.

THE PRESIDENT: Will Mr. Loomis make a motion to that effect?



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MR. LOOMIS: I think it is only in this way that we can get the benefit of the paper and discussion at this time. We certainly need a standard balance sheet, and I do not see any other way we have of considering the report at our next meeting.

MR. TURNER: I second the motion.

MR. WRIGHT: What is the limit of the duties of the Committee on Terminology? They, I suppose, when they are ready to bring in the definitions, will cover this work too.

MR. LOOMIS: I think it might be wise if we would designate this as a Committee upon the standardization of accounting forms, or something of that kind, but of course we know that all we can standardize is the fundamentals; every piece of work has a varying condition, every stage shows different conditions, and yet we may lay a foundation, something to work on, that all reports will take a similar form, varied by conditions. I speak now simply of a going concern. I believe we have a place in our organization for a Committee to be appointed, having that work in charge, the purpose of standardizing of matters or forms relating to our work as accountants.

MR. DIXCY: Mr. President, I would like to suggest, as an amendment, that this matter be referred to the several State Societies to be by them considered officially, in addition to its consideration by the Committee of this Association, so that it may be thoroughly digested; that the Committee of the Association be directed to confer with the committees of such State Societies and that they report to the next annual meeting of

The amendment was carried.  
this Association.

THE PRESIDENT: The matter is so referred.

If there is no further business, a motion to adjourn is in order.

The meeting adjourned.

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### Thursday Morning Session, October 20, 1910

The meeting was called to order by President Sterrett at ten o'clock A.M.

THE PRESIDENT: In calling you to order this morning, it becomes my pleasant duty, as the first matter of business, to induct into office, as President, the gentleman who was elected yesterday. Before doing so, however, I wish to express my sincere appreciation of the confidence that has been bestowed upon me during the past two years, during which I have attempted to serve you as President. I have felt that I have had the support of the entire membership, and I wish to express my sense of special obligation to the members of the Board of Trustees, and to the members of the various Committees, through whom the work of the Association has been carried on. In this connection I would like to speak particularly of the support and encouragement that I have received at all times from the members of the Executive Committee. These gentlemen have supported me throughout my entire term of office, in every

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way, and whatever success has attended the past two years is, to a very large extent, attributable to the work that has been done by the members of the Executive and other Committees.

I will now appoint, as a Committee to escort the incoming President to the Chair, Mr. Harvey S. Chase and Mr. James W. Fernley. (Applause.)

The Committee escorted the President-elect to the platform, and he addressed the meeting as follows:

MR. SUFFERN: There is an organization to which I belong, which had for some years a Secretary who was in the habit of inserting in his records quite frequently words to this effect, "The Society was addressed by Mr. So-and-So on the subject in a few well chosen words." Evidently he had the right association of ideas, and in his opinion it was quite apparent that the words, to be well chosen, should be few. With his admonition in my mind, I will promise you that my words will be few, whether they shall be otherwise well chosen or not.

We are about to part with the services of a gentleman who has done this Association a great honor by presiding as its President for the past two years, and I am reminded of the words of a very wise man, who lived a long time ago, and who said a great many very wise things, many of which have been recorded for our benefit, and among these wise things he said this, "Let not him who putteth on the armor boast himself as he who taketh it off." I am quite sure that when any man is called to stand in succession in the line with men such as my predecessors have been, he will be convinced that the wise man spoke very wisely, for the efforts and accomplishments of my predecessor are those things which tell, have told, and will continue to tell during the history of this Association.

It has been my pleasure to serve as a member of the Board of Trustees, and, for a considerable time at least, as a member of the Executive Committee, and I wish to endorse and emphasize the words which Mr. Sterrett has said, that it is a matter for congratulation, the manner in which all questions affecting the Association have been treated and considered by these gentlemen, the broad open spirit, and the manifest desire and purpose to do only those things which should be done, and to do them as well as possible—the spirit of entire self-effacement, and the spirit that has always manifested itself, of keen interest, that the progress of this Association should not be impeded by any act of theirs, or through any neglect of theirs.

Now, we have some difficulties to contend with, which are inherent in the very complicated structure of our organization which is in itself a source of weakness, and of possible danger—and it demands, in view of that fact, that there should be exhibited by the members of the Association, and the members of the Board of Trustees—particularly by the members of the Association—a broad spirit of indulgence and of patience. Progress rarely is marked by a continuously straight line of advancement—progress is rather the result of opposing forces, which, being brought together at the proper point, serve to accelerate the move-



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ment in its general direction. We feel that we cannot always do exactly the things that seem desirable; we have to be guided by that which may appear to be wisest; hence our progress may seem slower than some of us may wish, but it must be borne in mind that we have difficulties, inherent difficulties, in our structure, and we have other continuous opposing forces to encounter from outside.

The fact of these difficulties requires of us, as I say, a large spirit of toleration. Some of us will, from time to time, perhaps be led to protest against or to oppose some particular measure that seems to meet the sanction of a large majority, in which case we must bear in mind that that protest is precisely the thing that should be expressed. Any man among you who may dissent is entitled to a fair, patient, just and considerate hearing, because he is moved with the same purpose of sincerity and honesty, and desire for the general good that characterizes all the others; hence we must not be too quick in our decisions; we must not be too quick in our judgments.

Of course, I have to thank you personally for this honor which you have conferred upon me. I tried to say, yesterday, that I wish you had chosen more wisely. You have exercised a great many virtues, and you will be called upon to exercise another, I fear, in perhaps an undue degree—and that will be charity, but you will have to bear with me and if things are not done just according to your liking, I am quite sure that you will believe that I am most sincere in my desire that the interests of the Association may be advanced.

With these words I simply again say that I am most deeply obliged to you for electing me to this high office, and assure you that the Association will have my most earnest efforts. (Applause.)

THE PRESIDENT: The next order of business is the induction into office of our Treasurer, Mr. Keller, and I will ask Messrs. Vollum and Loomis to escort Mr. Keller to the platform. (Applause.)

MR. VOLLUM: Mr. President, your committee have to report that Mr. Keller is shy.

THE PRESIDENT: The very efficient committee which was appointed to escort Mr. Keller to the platform reports that he is shy, so we will proceed with another order of business and hear from Mr. Keller later.

THE PRESIDENT: I want to call your attention to the fact that it is necessary that we correct the records of our yesterday's proceedings, for the reason that in electing the Auditors it was not recognized until after the election took place that Mr. Mackenzie, who was elected one of the Auditors, is already a member of the Board of Trustees by virtue of his being President of his State Society; therefore, a motion will be entertained to correct the records by striking the name of Mr. Mackenzie out and electing somebody else in his place.

MR. COOPER: I move that the name of Mr. Mackenzie be stricken out and nominate Mr. Lester Herrick to take his place.

MR. JOPLIN: As I seconded the motion of Mr. Mackenzie's nomination, yesterday, I move the reconsideration of our action, yesterday, of the election of Mr. Mackenzie and that we elect some one in his place.

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The motion of Mr. Joplin was seconded and carried.

MR. COOPER: I nominate Mr. Herrick of California to take his place.

MR. JOPLIN: I second the nomination of Mr. Herrick.

MR. RECKITT: I move the nominations be closed.

MR. FERNLEY: I move the Secretary be instructed to cast a vote for Mr. Lester Herrick as Auditor.

TELLER RAND: Mr. President, your Tellers beg to report that Mr. Lester Herrick is unanimously elected as Auditor.

THE PRESIDENT: I declare Mr. Herrick elected as Auditor. I think this is all that we should undo—at any rate. If there is any further business, the Chair is ready to entertain it.

MR. JOPLIN: As a Society member of the American Association of Public Accountants, and as a delegate of Illinois, I wish to introduce a motion which is in the form of a vote of thanks. We have met here in New York and been entertained right royally—and I do not think there is any one present who does not feel that the Committee of Arrangements and the New York State Society have done us great credit and honor and given us great pleasure, and I wish, sir, to move that this body tender a vote of thanks to the New York State Society, also to the Chairman of the Annual Meeting Committee of the American Association, Mr. H. R. M. Cook, and to Mr. E. W. Sells, Chairman of the Committee from the New York State Society.

MR. KINGWILL: As a representative of the Colorado delegation I take much pleasure in seconding that motion.

The resolution was adopted and the Secretary ordered to send a copy of the same to the above gentlemen and Society.

MR. CHARLES N. VOLLUM: Mr. President, and Gentlemen, I have a matter that I consider of great moment to the Certified Public Accountants of the United States. Those who were present at the meeting at St. Paul no doubt will remember a paper that I read there, making the inquiry: "Shall we organize a National Association of Certified Public Accountants?" That paper was merely read for educational purposes; no action was taken and none was intended. I think—and I am not alone in thinking—that probably the time has now arrived when this Association should take some action looking to that end. In order to bring the matter before the Association in a proper manner I have requested two of the delegates—one to introduce the resolution and another to second it—without prejudice to them in any manner whatsoever.

After the resolution is introduced I should like to make some other remarks.

MR. FERNLEY: Following the remarks of Mr. Vollum I beg to introduce the following resolution:

*Resolved*, That a committee of Five Members of the Association, who are Certified Public Accountants, be appointed by the President, to procure a Charter under the Corporation Laws of the District of Columbia, for a Corporation under the name of the National Association of Certified Public Accountants,



## *Annual Meeting of the American Association*

That said Committee shall confer with the different State organizations of Certified Public Accountants throughout the United States with the object of obtaining their consent to become members of such an Association.

That the action of this Committee be reported to this Association at its next Annual Meeting.

MR. W. SANDERS DAVIES: I second the resolution as read by Mr. Fernley, so it may be discussed.

MR. VOLLUM: Gentlemen, when this matter was first brought up, when a Federation was organized some years ago, I then thought that a wrong movement had been taken. The C. P. A. laws had then been enacted for some eight or ten States, and the Federation was formed by going around the country with a fine tooth comb, and organizing Societies of Public Accountants wherever possible, without regard to the standing of the individual members thereof, and that became the nucleus of the Federation. Later on, it was thought advantageous to join with the American Association of Public Accountants—a corporation that had been at that time in existence for a number of years, with more or less success, as a representative of Public Accountants both foreign and native born.

At the time of the formation of that Association, I was asked to join it; I didn't see any reason why I should. It was organized principally by a number of foreign accountants, who were located in New York, with the addition of some American accountants. It never was a great success, but nevertheless, after the amalgamation of the American Association with the Federation, certain alleged difficulties presented themselves that were considered by the organizers of the Federation to make it unwise at that time to form a certified public accountants' association. The principal reason given was that it would work a hardship to the members of the old American Association.

The time has now arrived when this reason seems to be of very little value as the present membership stands. An analysis of the old members of the American Association shows that there were sixty-nine original Fellows in the Association. At the present day all these sixty-nine are C. P. A.'s with the exception of thirteen, and the great majority of the Associates are certified public accountants. I find that in the present membership of our association there are only two States that have not the C. P. A. law—Kentucky and Tennessee.

The representative from Tennessee informs me that they will probably get the law through this year. Kentucky informs me that there has not been a meeting of its Association for a year. These two States have together a membership of thirty. Of the members who are not C. P. A.'s, of the original sixty-nine—thirteen, as I stated before—three moved away from New York, and one of the three is not in practice. There is one other from Victoria, British Columbia, and the balance of these gentlemen are all from States that have C. P. A. laws.

Now, it seems to me that the great hardship our present Association endures is on account of the very, very little tail trying to wag a great big dog—viz.: about 30 members holding back about 1,000—and it is

about time that we should have a National Association of Certified Public Accountants, so that the public can be informed of our claims. We cannot ask legislation of any kind looking to the betterment of the profession as long as we hold out to the public that the public accountants and the certified public accountants are the same people. I have nothing to say against a public accountant, except this—that the course of education of public accountants at the present time has been so extended that we of Pennsylvania feel that the time is not far distant when we will ask the Legislature to prohibit any activities from public accountants that do not come under the sway of the Board—this has been done in other professions; it can be done with us—it cannot be done as long as we are the American Association of Public Accountants.

It seems to me that this is the time to take the stand, and I want to say one word now as to the manner of taking it. In the resolution it is suggested that the charter be obtained from the District of Columbia. The opposition to that by one of the gentlemen—a very dear friend—is that we are coming in the back door. Now, when we look at the time it will take to put through a charter such as we want, with the provisions as we want them—through Congress, we are looking into the dim future, and we are also making ourselves liable to become a part and parcel of the civil service law, with the qualifications made by the Civil Service Commission.

MR. CHAPMAN: There is already an Association under the title of the National Association of Certified Public Accountants in the United States. This Association was formed shortly after the New York Society, before the C. P. A. law had been passed in any other States, with the exception possibly of New Jersey. Counsel for this Association was Albert Wray, who introduced the first C. P. A. bill in the State of New York. This Association was organized under the laws of the State of New York, and it is the intention hereafter of many of its present members to revive it, and thereby fulfill the very purpose sought to be accomplished by the resolution or suggestion of Mr. Vollum.

MR. WEISS: Mr. Chairman, as a Fellow-at-Large of the Association, it seems to me that what is to be sought eventually will be a National organization, not under a State charter, but under Federal recognition. The American Association, as originally planned and as its title implies, was to be eventually a national body, even though started under a State Charter. It was for that reason that we opposed the federation. I personally believe that we, as accountants, eventually should seek federal recognition, by all means. The spirit and the thought of my good friend, Mr. Vollum, appealed very much to me. However, the only thought of opposition that I harbor at this time would be that we might seek federal recognition too early, and thus fail to receive proper recognition; we might jeopardize an ultimately favorable reception by appearing with a proposition now that does not, as yet, appeal to the Federal Government.

The members of the American Association will never feel hurt, I believe—and I think Mr. Vollum is under a misconception if he believes



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that the old members of the American Association—I mean particularly the old Fellows-at-Large—would feel encroached upon if our present Association should eventually become superseded by a Federal body under a Charter granted not by the District of Columbia but by the Congress. The American Association has done a great deal of good work, and I believe its old Fellows-at-Large will always hold it very dear, and it will probably always remain in existence; maybe at some future time for no other than perhaps sentimental reasons, as the original Association of Public Accountants from which sprung the National Body, organized under a federal charter. If such a National organization is to be created, it would in my judgment be a waste of energy to revive to activity the old National Society, which is a New York State organization, rather inactive for a number of years, originally incorporated, I believe, under the Membership Corporation Act.

The American Association fulfills that object that appears to have been sought by the National Society very much better. What I understand Mr. Vollum wants to bring about is a movement toward eventually securing for us Federal recognition, involving the establishment of a degree or title which would imply a nationally or federally licensed practitioner.

I personally believe that such a large and important subject as this is requires a great deal of thought, and that it can best be worked out by a Committee. If Federal recognition is eventually to be obtained, our movement would be best strengthened by State recognition, in as many States as possible, in order that some of those States, which still remain in the background without C. P. A. legislation, may not retard or impede our progress. I believe the subject is worthy of very serious thought—it is a subject that is fit for us to consider, and it is not for this body to form conclusions at this meeting of what should be done, because the field is very large and the subject of grave importance; but I do believe it is a proper and worthy subject to be entrusted to a Committee to that extent that a year hence at our next meeting we can have a very much clearer conception of the subject. I am, therefore, in favor of the appointment of such a Committee and second the motion therefor.

MR. FERNLEY: Mr. Weiss did not understand that the resolution calls for a Committee of Five to report at the next annual meeting.

MR. COOPER: Mr. Chairman, I think if the members understood definitely what the aim of this larger organization was, they would realize in the first place its importance. All of these Associations have to do with one general body. At the time it was deemed advisable that we should take in all of the Societies, but the New York State organization refused to join with us. The claim, as presented to you to-day, is that we should recognize a Society that is practically in a state of innocuous desuetude, and the only thing that recommends it is that it has \$250 in the treasury! Now, the ultimate aim of Mr. Vollum's resolution is to have no one as members of this proposed organization excepting those who hold C. P. A. certificates. We desire to be fully organized and have thorough examinations for C. P. A. certificates, so that we will not have

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to offer any excuse for any public accountant who is not a certified public accountant. That is the aim we have, and hope to obtain, and then we shall be in position to ask the Federal Government for recognition.

In the meantime, I do not think such an attempt is in season. We might well afford to wait five, ten, or even fifteen years, but we are progressing toward the aim we all desire to demonstrate to Congress that these local Societies and Examining Boards are a substantial factor in our development and not a professional farce. We shall hardly attain that position as long as we have forty-five States, of which only one half have C. P. A. laws—that one half representing a population of two thirds of the country. What is the ultimate effect of continuing in the present course? This I leave to your reflection.

At the present time I believe Mr. Vollum's aim is a good one, but I think it is premature. However, no harm can be done by appointing a Committee to discuss the matter.

MR. VOLLUM: I have listened with a great deal of attention to Mr. Cooper's remarks, and I thoroughly appreciate what Mr. Cooper says, but let me say to you all that old age comes on apace, and fifteen years in the future does not appeal to a man of my age. (Laughter.) I want to say again that I have never approved of waiting and waiting to meet some difficulties made in the minds of people. In other words, we worry about things that do not happen. Now my whole object in this movement is to bring all Certified Public Accountants under their proper name; my objections to State organizations, State charters, is purely and solely because State charters cannot do the work we have to do. We all know that there are flaws in the operation of the American Association; we are willing to accept these flaws for the purpose of good fellowship and the advancement of accountancy, and ignore them, but at the last session I noticed that the Board of Trustees passed a resolution confirming all the acts of the American Association of the meetings in other places and everything they had done.

Now there is no doubt that there was legal advice on that, but it does not seem to me possible, in a common-sense view of the situation, that any resolution like this can confirm anything contrary to the laws of its existence, the charter under which it is issued. With regard to the National Association of Certified Public Accountants, as referred to by Mr. Chapman, I think I have heard a whisper that there was one lying around somewhere, but it never did anything; in fact, we can get charters without any trouble whenever we want them. I want to say this, that I have had this subject up at Washington with lawyers connected with the Inter-State Commerce Commission, I have had it up with lawyers connected with all the different movements on the line of corporation publicity, and the attempts to control everything; and like a good disciple I tried to find out how we certified public accountants could get some of the graft. (Laughter.)

In the year 1905 I introduced into the Legislature of Pennsylvania a law, an act, compelling all published accounts of corporations to be certified to by Certified Public Accountants. The history of this is amusing.



## *Annual Meeting of the American Association*

I brought the matter before the Pennsylvania Institute of Certified Public Accountants, not with any idea of asking their advice, because I was in one of the departments of the State of Pennsylvania, and I felt as a member of that Department I had the right to advise the Legislature as to proper action, especially when proper action resulted in good. A Committee was appointed to confer with me, and came over to my office; one of them was ready to be convinced, but the other was not quite sure. I said: "Gentlemen, I did not ask for a Committee, I sent a Bill to the Legislature, and it went before the Legislature."

I had to get a new Senator to present it, I was in touch with the Organization—I will be candid about it (laughter), and the Senator said to me, "Put it in anyway, and see how it takes." I got the new Senator to put it in, and it was referred to a committee. I merely wanted publicity. The Senator who introduced the act came to me, and said: "Why, what are you doing, you have given me the greatest amount of trouble; I have protests from every corporation around the country against that bill." "Well," I said, "just let me tell you, you have gotten more notoriety than if you had been in the Senate twenty years. It will not hurt you a bit."

Now, our Pennsylvania Institute sent up a protest. I hate to tell stories out of school, but the fact is the Judiciary Committee laughed at the protest; there was no intention for it to go through, but only to bring the subject up.

In 1907 I did the same thing, just as a feeler; in 1909 I wanted an amendment to our Bill, and I didn't bring it up. In 1911 that Bill will not come before the Legislature, the corporations must have a rest. Now I have had a dozen men ask me that very thing that I have been arguing about—what is the difference between a public accountant and a certified public accountant. I want to be able to tell them. There is only one thing I can tell them now, and that is, there are a lot of old fellows in the American Association who are not certified public accountants. I don't want to do that, I don't want to hurt anybody's feelings, but I tell you I want a handle to my name, and an Association to which I can point with pride as being the outcome of the efforts of men who have spent money, spent time, and everything else to get this public recognition.

Now, I want to say one word in regard to the law that Mr. Cooper refers to. Mr. Cooper has made one of the best arguments in favor of this thing to-day, and that is, that Mr. Haskins, who is dead—we all loved him—never succeeded in getting this law beyond the Senate, and it remains in the Senate to this day. When you look at the reception that the Rockefeller endowment has received, I think we had better pause, and not throw ourselves on the tender mercies of Congress. I saw a draft of the law that was gotten up by the Inter-State Commerce Commission, in which I was asked to participate, and it was gotten up by lawyers during the time of President Roosevelt and I had correspondence on the subject—I saw that draft, and, gentlemen, I want to tell you one thing—if you had seen it, it would have taken the conceit out of you abso-

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lutely. Under that law, you would have to go under the Civil Service Commission—the Civil Service Commission might ask you almost anything they cared to do. I want to claim the honor of smothering that law.

Then I took up the C. P. A. law of the District of Columbia—I am ashamed to tell you how cheap I can get it; I mention it because the cost of this thing was \$3.25. (Laughter.)

Now, if that is an argument, why I will guarantee this, it shall not cost the Association one red cent. I feel enough interest in this thing to give up a little more of my immense wealth, of the two or three millions I have lying around. (Laughter.)

I tell you, gentlemen, if you had studied this thing, and worked over it, and thought about the matter the way I have—it may be egotism, but I want to tell you this—if I get to be somebody, I want a name of my own, and I am going to drag a whole lot of fellows into the thing with me.

Legislation is supposed to be for the benefit of the majority. Legislation affecting New York or Pennsylvania does not appeal exactly to the Western States. Legislation must do the greatest good to the greatest number. To-day there are twenty-five States, I believe, that have C. P. A. laws, and I think I am safe in saying that those twenty-five States are all the States that now need C. P. A. laws, and when the territories and other States—sparsely settled States—become commercial States, they will see the advantage of it. I think it is fair to presume that representing two thirds of the population of the United States, we have a right to ask for certain things if we want them; but it is also our privilege to ask whom we please.

It may be that we could get Federal recognition through Congress; we can get it just as well after we become a National body as before, but I do not see any reason why we should not join in the movement and get together and with one good pull land ourselves where we belong, and go before the public as certified public accountants. (Applause.)

THE PRESIDENT: Gentlemen, is there any further discussion on this subject? You have heard the resolution which has been read. What action do you wish taken?

MR. MACINNES: I presume that the resolution is subject to amendment before we proceed to act upon it. It seems to me that the resolution that would authorize a Committee of five to go ahead and complete this work, without reference to the Board of Trustees of the American Association of Public Accountants, is an extremely dangerous resolution. I am in hearty sympathy with the purpose to obtain National recognition, and without seeking to occupy a great deal of your time, I might say that, unless we make a beginning, we will never get there, but we should make a beginning in such a way as would tend to protect every step we take, and obviate the possibility of our looking backward with regret to something we did rather hurriedly, and I would, therefore, amend the resolution to require that this Committee of five appointed to endeavor to procure a charter be required to report to the Board of Trustees before they take any action directly requesting this



## *Annual Meeting of the American Association*

incorporation or this charter. In other words, that having obtained all the facts bearing upon the subject, having entered into correspondence, they will lay their facts and their conclusions before the Trustees of the American Association as an Act necessarily precedent to their asking for a charter. It also seems to me that having been reported upon, the Trustees in turn should place the matter before the American Association of Public Accountants at its next annual meeting. Nothing will be lost by using a year properly before presenting this bill—whatever time we spend is time well spent and not time lost.

MR. VOLLUM: I want to give the reason why I put that in that way: under the laws of the District of Columbia, it is necessary to have two inhabitants or rather residents of the District to procure the charter and one outsider—now the idea is to get the charter—not act on it at all, but afterwards, if these two fellows resign, and then when we are ready to go ahead, we are in position to do so.

MR. FERNLEY: We accept the amendment. The motion as amended will be that a Committee of five members of the Association, who are certified public accountants, be appointed by the President to consider the matter of obtaining a charter under the corporation laws of the District of Columbia, for a corporation under the name of the National Association of Certified Public Accountants, and that the findings of such Committee be reported to the Board of Trustees, and that the said Board of Trustees shall report the same to the next annual meeting.

The resolution was adopted.

THE PRESIDENT: We will now have the pleasure of listening to a paper on Municipal Accounts, by Mr. Richard M. Chapman, of New York, and after Mr. Chapman has presented his paper, the meeting will be thrown open for discussion, and everybody is invited to discuss the paper, whether they are members or not.

Mr. Chapman's paper and discussion will be found on page 171.

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### Thursday Afternoon, October 20th, 1910

#### Informal Session

The President being engaged at the Trustees' Meeting, the meeting was called to order by Mr. J. P. Joplin, acting as Chairman.

The discussion of Mr. Chase's paper was continued.

The Chairman then introduced Mr. Charles F. Gettemy to the meeting as follows:

THE CHAIRMAN: The Chair takes this opportunity of calling on Mr. Charles F. Gettemy of Boston, Director of the Massachusetts Bureau of Statistics, who has charge of the accounts of the municipalities of Massachusetts; we are gratified to have Mr. Gettemy with us, and to have him speak on this subject.

Mr. Gettemy's address will be found on page 196.

## REPORTS

### Reports of Officers

The report of the President will be found on page 140.

Treasurer Keller submitted his account for the year ending September 30, 1910, which was as follows:

*Statement of Receipts and Disbursements for the Year Ended  
September 30, 1910*

*Unexpended Balances of Appropriations, 1909:*

Stationery and printing .....	\$252.90		
Postage, express and telegrams .....	342.11		
Legislative Committee .....	137.70		
Press and Publicity Committee .....	100.00		
Executive Committee .....	56.50		
Executive Committee emergency.....	150.00	\$1,039.21	

*Less Amounts Voted by Trustees at April, 1910,  
Meeting:*

H. A. Keller, Auditor .....	75.00		
Secretary, expenses to Denver .....	250.00		
Year Book, deficit.....	338.25	663.25	\$375.96
Surplus income over appropriations .....		150.32	
Surplus .....		1,327.25	1,477.57

Balance October 1, 1909 .....\$1,853.53

*Receipts:*

From societies .....	3,094.58		
" fellows at large.....	840.00		
" associates at large .....	125.00	4,059.58	
Membership fees .....		25.00	
Interest .....		55.53	
Year Book—1908 .....	9.50		
" " —1909 .....	723.00	732.50	
Total receipts .....			\$4,872.61
Total to be accounted for.....			\$6,726.14

*Disbursements:*

Secretary services .....	\$1,800.00
Stationery and printing .....	487.44
Postage, express, telegrams and sundries .....	248.83
Journal of Accountancy .....	500.00
Annual meeting, 1910 .....	400.00
Executive Committee .....	8.00
Committee on Legislation .....	25.00
Year Book .....	732.50

Total current disbursements .....\$4,201.77

Unexpended appropriations, account year 1908..... 509.68

Total Disbursements .....\$4,711.45



# BASKINS & SELLS

## Annual Meeting of the American Association

	Brought Forward	\$4,711.45
<i>Unexpended Appropriations, 1910:</i>		
Stationery and printing .....	12.56	
Postage, express and telegrams.....	51.17	
Executive Committee .....	242.00	
Legislative Committee .....	125.00	
Press and Publicity Committee .....	100.00	
Committee on Arbitration .....	150.00	
Year Book, free edition .....	200.00	
Total .....	\$880.73	
Surplus income over current expenses .....	670.84	
Surplus .....	463.12	
<i>Accounted for by Cash in Custody of Treasurer:</i>		
Capital Trust Company—Deposit account.....	46.39	
Capital Trust Company—Certificate of deposit at 3% .....	1,750.00	
Trust Company of America .....	218.30	\$2,014.69
		\$6,726.14

Audited and approved.

E. E. GANO,  
CHAS. F. McWHORTER,  
Auditors.

## STANDING COMMITTEES

### Report of the Executive Committee

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

Since the report presented at the meeting on April 18, 1910, your committee has held three meetings, namely—23d June, 30th September, and 17th October, 1910, making nine in all, throughout the year.

The Year Book of the Association has not been freely subscribed for by the members of the Association. Six hundred copies only were printed, at a cost of \$900. Payments have been made on account of this sum to Messrs. A. H. Kellogg & Co., amounting to \$732.50. There are outstanding unpaid subscriptions amounting to \$51.00 and books are still in stock or out on memo. The Executive Committee ask the sanction of the Board of Trustees to apply the \$200 which stands to the credit of the Free Copy Year Book appropriation to meet such deficiency as may appear in this account.

Interest was sought to be created by the distribution of some forty copies to the press of the United States, accompanied by an article drawing attention to the work and objects of the Association, but beyond a few passing comments, nothing appeared of particular value.

More attention was attracted to a resolution passed by the Minnesota State Bankers' Association, commending the practice of independent audits of corporations and others who sell commercial paper through note brokers. A copy of this resolution was transmitted to each State Society and received a number of favorable comments from the Press.

The Executive Committee have supervised the finances of the Association and audited all bills prior to the payment thereof.

A memorandum of expenses incurred by the Special Committee on

## *American Association Year-Book*

Guarantee Fund from July to September 30, 1910, has been sent to the Executive Committee. The amount is \$173.91 and the Executive Committee ask permission to pay this sum out of unexpended funds.

Correspondence has been conducted throughout the year, and many matters relating to the affairs of the Association have been considered, but as these were of a routine nature, it is unnecessary to refer to them at length.

Respectfully submitted,  
(Signed) THOS. CULLEN ROBERTS,  
*Secretary.*

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### Report of the Committee on By Laws

The result of the action on the Committee's Report is to be found in the Revised Constitution and By-Laws part of this volume. See pages 257-270.

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### Report of Committee on Meetings, Lectures, Libraries, and Bulletins

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

On behalf of the above-named committee, I submit the following report. A letter was addressed to the president of every state society asking him to furnish a report upon the activities of the society of which he was president in respect to Meetings and Lectures. Out of twenty-three state societies, twelve replies were secured, a synopsis of which is given later. No replies were received from the following eleven State Societies:

Connecticut, Georgia, Louisiana, Michigan, Montana, New Jersey, Oregon, Pennsylvania, Rhode Island, Tennessee, and Washington.

From the replies received, there appears to be good reason for encouragement in the fact that the importance of holding regular meetings with addresses on Accountancy subjects is steadily gaining ground. Societies, whose efforts in the past have necessarily been devoted to C. P. A. Legislation or Administration of the Law, are now finding opportunity for holding meetings at which papers are being read dealing purely with Accountancy Problems or instructions to students.

It is noteworthy that the best success in these directions is obtained in those societies where a special committee is appointed to formulate a program at the commencement of the season, or which undertakes to provide entertainment and a speaker for each meeting. The above methods of arranging for meetings is earnestly advocated and especially recommended to those societies which up to the present time have not undertaken this form of Society Activity and Education.

There appears also to be a steady growth in the realization by Public Accountants of his responsibility to the student, as indicated by the creation of Schools of Commerce and Accounts and the lectures given to classes of students by practising Accountants. Minnesota reports that during the coming season, members of their Society have undertaken to deliver lectures at the University of Minnesota. At the close of this report, I submit a list of the subjects of the addresses delivered during the 1909-1910 season as reported to me by some of the Societies, giving also the name of the Society before whom the address was read. It will be noted that in some cases the same subject was dealt with by more than one Society. A study of the titles of these addresses may be instructive and afford suggestion for similar addresses to other Societies.



## *Annual Meeting of the American Association*

Below is submitted a synopsis of the reports received:

### *California.*

Regular monthly meetings. Six addresses on Accountancy subjects. Dinner given prior to each meeting. One member is made responsible for each meeting and arranges for both the dinner and the address, another member undertaking it the next meeting, and so on.

### *Colorado.*

Three meetings with addresses on professional topics reported.

### *Illinois.*

Nine regular monthly meetings held, at seven of which papers on Accountancy Subjects were read, one annual meeting and one summer meeting at Golf Club with Golf Tournament and Dinner. A committee of three has these matters in charge.

### *Kentucky.*

No meetings at which lectures were given.

### *New York.*

Regular meetings held, five in number, of which four included addresses on Accountancy Subjects and one Business Meeting.

### *Maryland.*

Regular meetings held. A committee of three is appointed annually to arrange program and great interest appears to be taken.

### *Massachusetts.*

Regular meetings are held and, although considerable time had to be spent in discussion of C. P. A. legislation, time was found at five meetings to listen to addresses on Accountancy Subjects. In this Society the President appoints a committee of four for each meeting—two of whom are deputed to prepare the address and two to lead the discussion. This plan is found to work most satisfactorily.

### *Minnesota.*

No meetings reported for last season, but during the coming season, addresses to classes in the University of Minnesota will be given by members of the Society.

### *Missouri.*

No report from St. Louis, except that regular meetings are held, but the Kansas City Local Society reports five meetings dealing with professional topics.

### *Ohio.*

Regular meetings held, but discussion at same has principally dealt with the administration of the Ohio C. P. A. law. The coming season a regular program of meetings and speakers on Accountancy Subjects is anticipated.

### *Virginia.*

This Society organized in September, 1909, and a C. P. A. law enacted. Four regular meetings. At the March, 1910, meeting the Governor of the State addressed the meeting. Several papers on Accountancy Subjects read, as well as a large amount of organization work transacted.

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### *Wisconsin.*

One meeting only. Little or no interest stated to be taken by members of the Society.

### CHARACTER OF PAPERS READ AND WHERE

Federal Corporation Tax Law,	New York, Massachusetts, Kansas City, Mo., California, Colorado.
Education of the Accountant,	New York.
Professional Ethics,	New York, California.
Development of Accountancy as a Profession,	Illinois.
A Central Bank of Issue,	Illinois.
Governmental Supervision and its effect on the Profession of the Public Accountant,	Illinois.
The C. P. A. Degree Now and Hereafter,	Illinois.
The Accountant as an Expert Witness,	Illinois.
Accounting Terminology,	Massachusetts.
The Value of Systematizing as Applied to Accounting,	Massachusetts.
Depreciation as Applied to the Returns to be Made under the Federal Corporation Tax Law,	Massachusetts.
Self-Figuring Costs and Time Cards,	Massachusetts.
Civil Service Law,	Kansas City, Mo.
Balance Sheets,	Kansas City, Mo., Virginia.
The Balance Sheet as the Key to Science of Accountancy,	California.
The Profit and Loss Account of a Manufacturing Concern,	California.
Reserve and Sinking Funds,	California.
What is the Best Method of Educating the Business Community to the Necessity of Professional Accounting,	California.
Banking,	Colorado.
Present Conditions Affecting Railroads and their Relations to the Public,	Colorado.
Clerks, Bookkeepers, and Accountants,	Virginia.
Legal, Mercantile, and Corporation Accountancy in all its Branches,	Virginia.

Respectfully submitted,

(Signed) ERNEST RECKITT,  
*Chairman.*

## Report of the Committee on Legislation

### TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Legislative Committee of The American Association of Public Accountants begs leave to state that since its last report, dated April 14, 1910, a copy of which is hereto attached and made a part hereof, the following matters have engaged its attention:

The chairman was consulted by Mr. C. A. Seifert, of Milwaukee, Wis., in relation to the conditions existing in this State with regard to the



## *Annual Meeting of the American Association*

passage of a C. P. A. law. From the information furnished, it was gathered that there are in Wisconsin two factions, one representing the Public Accountants, the other Bookkeepers and other Office Employees, and that it is the desire of the latter that the legislation to be enacted should be of such a nature that the degree should be obtainable by them as well as by the Public Accountants, while the former desire the requirement of a term of service in an Accountant's office as a necessary preliminary to admission to the examinations.

The President of the American Association drew the Chairman's attention to a Balance Sheet published in a London newspaper by a certain Audit Company in which said Audit Company described itself as "Certified Public Accountants," and desired that the attention of the Manager might be called to the matter by the Board of Examiners of the State of Illinois. This letter it was thought better to refer to the Directors of the Illinois Society of Certified Public Accountants which, having been done and the said Manager having been admonished by them, the Chairman was informed by the President of said Society that the said Manager repudiated all responsibility for said description and regarded it as improper.

Respectfully submitted,

(Signed) W. A. CHASE, *Chairman.*

WM. C. NEWELL,

CHAS. O. HALL.

Chicago, Ill., September 19, 1910.

### TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Legislative Committee of the American Association of Public Accountants begs leave to report that since its appointment the following matters have engaged its attention:

The State of Virginia has passed a Certified Public Accountant law, the draft of which, while on the whole satisfactory, represented some features which it was thought might with advantage be changed. In the absence of a copy of the Act it is not known exactly what form the bill finally assumed, but the Chairman is in receipt of a letter dated March 23, 1910, from Mr. George Mahon, of Lynchburg, Va., which states:

"Our bill has been passed (without an amendment and by a unanimous vote in both houses) and has been signed by the Governor. We are now working to secure the appointment of a strong Board. As soon as the appointments are made, I will advise you."

Mr. H. M. Temple, of St. Paul, Minn., has recently resigned from the Board of Examiners in his State. The Chairman has suggested that he consult with Mr. Sterrett regarding the matters which induced his resignation.

An attempt on the part of one "Clair," a resident of Chicago, to secure legislation in some State not having a C. P. A. law of such a nature as to enable unqualified persons to obtain a Diploma, was unearthed.

Letters of warning were written to all Secretaries of Societies in these States, and the affair was exposed in THE JOURNAL OF ACCOUNTANCY for January, 1910, page 222.

The draft of a model C. P. A. bill was submitted by the President of the American Association to the Chairman of your committee and forwarded by him to each member thereof, and also to the Members of the Advisory Committee of the National Association of Certified Public Accountant Examiners, with a request for their notes and comments, the replies received being sent to Mr. Sterrett.

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At the meeting of the National Civic Federation, held at Washington, D. C., in January last, the following resolution was passed:

"That this conference heartily commends the principle of uniformity in Certified Public Accountancy Legislation, which should in every case require adequate standards as to education and training for admission, and should provide suitable punishment for unprofessional conduct."

Chicago, Ill., April 14, 1910.

### **Report of the Committee on Journal**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Committee on Journal have continued during the past year their general supervision over the policy of *THE JOURNAL OF ACCOUNTANCY*, and are pleased to report that the usual high standard has been maintained in the articles published therein; the committee have endeavored to assist the editors by reading all important matter, both literary and advertising, before publication.

Some difficulty is experienced in obtaining sufficient contributions to the pages of *THE JOURNAL* from among members of the profession, and the committee take this opportunity of urging all those who are interested in *THE JOURNAL* to do what they can to supply it with matter suitable for publication therein. *THE JOURNAL* is entirely dependent on voluntary contributions, and being the official organ of the profession it seems only reasonable to expect that its members will, each one of them, devote some small portion of their time to assisting the efforts of the editors.

From a financial point of view *THE JOURNAL* continues to show slow but steady progress, the surplus income, after charging printing and editorial expenses during the fiscal year ending August 31, 1910, amounting to \$1,085.12, as compared with \$945 in the preceding year. No proportion of the administration expenses of the Accountancy Publishing Company has been charged in arriving at these figures, and while these expenses have not so far been accurately divided between *THE JOURNAL* and the other business of the Company, there can be no doubt whatever that the proportion properly chargeable to *THE JOURNAL* largely exceeds the surplus gross income.

The committee again regret to report that *THE JOURNAL* is not receiving proper support from the members of the profession. Out of 1,625 paying subscribers at present on the list only 219 are members of the American Association of Public Accountants, showing that there are still at least 500 members of that body who show so little interest in *THE JOURNAL* or its progress that they cannot even afford the small sum of \$3 required to put them into possession of the monthly issues as they appear.

*THE JOURNAL* was started, and has been maintained at considerable expense for several years, solely in the interests of the American Association. It has admittedly done good work in bringing the work of Public Accountants before the public and in maintaining a standard worthy of their important profession. It is lamentable that the members as a body should show so little appreciation of or interest in these results, and that less than one third of the total membership are willing to subscribe for it. In congratulating the Association on the progress *THE JOURNAL* continues to make the committee make an urgent appeal to the members for a greater measure of support in every direction than they have given in the past.

Respectfully submitted,

A. LOWES DICKINSON,  
*Chairman.*

October 7, 1910.



## *Annual Meeting of the American Association*

### **Report of the Committee on Review of Appropriations-Budget**

OFFICE OF CHAIRMAN, 165 Broadway.

NEW YORK, October 17, 1910.

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: Your Committee on the Review of Appropriations-Budget present for your consideration the following estimate for needed appropriations for the ensuing year 1910-1911:

Stationery and printing .....	\$600.00
Postage, express, telegrams and sundries.....	300.00
Journal of Accountancy .....	1,000.00
Annual meeting .....	400.00
Executive Committee .....	250.00
Committee on Legislation .....	150.00
Committee on Arbitration and Conciliation .....	150.00
Committee on Press and Publicity .....	100.00
Year Book—Free edition .....	200.00
	<hr/>
	\$3,150.00

The estimated amount for Secretary's salary for the ensuing year is omitted from this Budget with the recommendation that the same be taken up and fixed by resolution of the Board of Trustees, for the reason that a change is contemplated in respect to this office.

The membership of the Association at the coming meeting will probably be increased by 127—110 Fellows and 17 Associates—which will increase the income of the Association for the year 1910-1911.

Respectfully submitted,

(Signed) J. R. LOOMIS,  
H. A. DUNN.

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## **SPECIAL COMMITTEES**

### **Report of the Committee on Annual Meeting, 1910**

MR. COOK—Mr. President, I have not prepared any written report, but I will just briefly describe what has been done. The Committee which appointed me Chairman held a joint session with the corresponding committee appointed by the New York State Society of C. P. A.'s, and the Committee have acted in unison from the very start. For practical purposes it was deemed advisable to consolidate informally these two committees, with the result that we have been able to make the necessary arrangements for the Convention here. As to what we propose to do, with the convention here, I think the printed matter has been sent and circulated, and fully describes that. I would say, however, that the New York Society has done everything it could to coöperate and make the festivities worthy of the occasion, and do all honor to the American Association. To-morrow we will have a short address of welcome from Honorable John Purroy Mitchell who has been the Acting Mayor of the City of New York in the absence of Mayor Gaynor. Mayor Gaynor

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would have been pleased to have been present, but his voice and health, owing to conditions and circumstances, renders it impossible for him to be here; but Mr. Mitchell will be here in his place. It is needless to refer to the entertainments, etc., which have been provided. The literature which has been circulated, I think, fully describes this.

I wish to say, on behalf of the Committee, also on behalf of the joint committee of the New York State Society, that we heartily welcome the American Association here, and we will do our best during the time of the Convention to make things pleasant for all.

*Resolution*, That the report be entered on the minutes as accepted.

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### Report of the Committee on Professional Ethics

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

Your Committee has, since our last annual meeting, had its attention called to two or three matters indicative of an indifference toward a high standard of professional conduct upon the part of practitioners, which is to be regretted. As usual, it takes the form of promiscuous and commercial advertising and it is only by continual attention being called to this disregard for the rules of the Association, that any improvement can be hoped for.

Work in this connection with the Federal Corporation Tax last January seems to have been used as a motive for much exploitation on the part of some members of this Association. Several form letters and circulars reached the chairman of your Committee anonymously in reference to this particular feature.

When clients themselves question the methods employed by professional accountants in an interrogative form, such as "Are the enclosures indicative of ordinary business enterprise, or should another name be applied to them?" it is time for the members of this Association to pause.

The Committee now begs to quote from a form letter dated September 24, 1910, just received by the Chairman of this Committee:

"I desire to obtain whatever business you can offer a Public Accountant. For that business I wish to pay the usual Attorney's commission. In addition I offer your clients exceptional advantages.

"In the first place, they will not pay one cent more than if they dealt directly with me. In the second place, I will furnish them with unsurpassed service for less cost I believe than they can secure such services elsewhere.

"In former years, when employed by the leading accountants of America, my employers received \$25.00 per day for my services. At present I offer more valuable service, due to the increased experience and efficiency, for \$15.00 per day.

"My staff of assistants is carefully selected from experienced Public Accountants of recognized ability. For the work of these strictly high-grade men I receive from \$10.00 to \$15.00 per day according to their value. Some Audit Companies employ and are composed of poor book-keepers out of a job. The difference between the value of these cheap men and recognized Public Accountants is greater than between the 'shyster' lawyers and accredited attorneys.

"My patrons are numbered among the representative attorneys and business men of Chicago. I will be glad to place you in communication with some of them upon request. You will appreciate the information they will furnish concerning my work."



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The perpetrator of this effusion is not a Certified Public Accountant, but his letter-head contains references of some of our well-known and largest corporations; as for instance, American Steel & Wire Company, International Harvester Company, Knickerbocker Ice Company, Montgomery Ward & Company, and others, with what warrant is not disclosed.

Another instance is that of a form letter, plausible and discreet upon its face, but which indicates at the head of a lot of subjects treated that the practitioner has a CERTIFIED PUBLIC ACCOUNTING STAFF. This party, in order to embrace all the field, also sends out form letters and circulars under the heading of — National Audit Company.

In a problem of this character, where the majority of the members of the Association are zealously endeavoring to uphold a proper standard, we should be guarded in the minor everyday steps of our routine not to lay ourselves open to criticism by those who are not restrained by professional decency.

Blundering into publicity campaigns with a notion that anything is useful that attracts attention, will lose a great deal more than is gained.

One may sneer at the tradition that confines doctors, lawyers, musicians, civil engineers, and other professional people to plain cards, with name and office address only, but a publicity expert will at once recognize the futility of any effort to coax or wheedle the public into patronizing a man who has to resort to self-laudation, fulsome expressions of his own talents—and so forth, as the very subtlety of such efforts instantly creates in the public mind a doubt as to whether he has strength, mental equipment, and experience enough to justify their patronage.

The practitioner who rests on the quiet assurance that his ability and equipment suffice to win recognition in the long run is pursuing the only effective course and it must be brought home not only to the young graduates of this important calling, but also to those who have been in practice for some years, that unless they realize to the full that in this work there is no royal road to either fame or fortune, but that it is a life career as in other professions, and that progress can only be had by steady and gradual growth along well-recognized lines of principle and helpfulness to the commercial world, realizing constantly and judiciously the weight of the responsibilities and giving secondary consideration to their own immediate reward or gains by the service performed.

Any professional man who, in default of that much faith in himself, goes around trying to invent artificial ways of bringing himself to public notice, simply infects other people with his own inner doubt of his abilities. He may win temporary success, but in the end he is sure to class himself as a second rater.

Here is the abstract truth—The man whose capital is in his own brains and personality cheapens himself whenever he consciously resorts to any other method of catching attention than the unimpeachable method of doing his duty steadily.

Some things are too sacred to be advertised. What true man will exploit through such means his honor, his honesty, his mental alertness, or superior talent. These are not subjects for the market place or billboards.

Shall the accountant be identified with the sort of professional men who feel there is not enough substance in them to win by weight of their own character?

Is it better to defy or disregard the proper attributes of professional work, or are we to flamboyantly brag of our skill through the town-crier?

(Signed) JOHN ALEX COOPER,  
CHAS. LEWER,  
JOHN F. FORBES,

*Committee.*

October 16, 1910.

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### Report of Press and Publicity Committee

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

There has been no meeting of this committee during the year, all of its work having been accomplished by correspondence. The principal activity of the committee has been in the matter of giving proper publicity to the work of the American Association, as reflected in the YEAR BOOK following the Denver annual meeting.

Forty-five copies of the YEAR BOOK were appropriated for distribution to the principal newspapers in the United States. These books are kept by these newspapers in their libraries, as a reference book, and same was sent out accompanied by carefully prepared notices which, in nearly every instance, were used by the newspaper, and much good publicity was added thereto at the time of the publication of the notice of the receipt of the YEAR BOOK.

It is suggested for the consideration of the Trustees that the practice of publishing the YEAR BOOK be continued and that the practice of sending copies of the YEAR BOOK to the newspapers for their libraries be also continued.

It is also suggested for the consideration of the Trustees that some appropriation be made for supplying the libraries of the principal Universities of the United States and other organizations which are interested in education work, relating to the profession of accountancy, with copies of the AMERICAN ASSOCIATION YEAR BOOK.

The profession of accountancy is developing so rapidly, and the general public is becoming more and more interested in its development, that it is only right and fair that some effort should be made by the profession to familiarize the public with its aims, functions and accomplishment, and I am sure we would all appreciate it, if the Public Press would more satisfactorily consider the terms of speaking of members of the profession, so as to make proper distinction between the degrees of the American and Foreign accountant and the unlicensed practitioner.

The splendid response to the appeal of the Special Committee to solicit funds for a General Publicity Secretary expresses the deep interest of the profession for proper publicity, and it is hoped that care and diligence will be used in the selection of a person to fill this responsible position.

It is suggested for the consideration of affiliated State Societies that they encourage in their principal papers the publication of suitable articles and extracts relative to the work of the profession, and thus pave the way for the Publicity Secretary to definitely aid them at the time of his visit. Spasmodic efforts for publicity do not achieve the desired result that may be attained by diligent and consistent effort.

The committee also recommends to State Societies that they co-operate in securing subscriptions to the JOURNAL OF ACCOUNTANCY, and use every proper power and endeavor to increase the circulation of this magazine, and to forward to its editorial department, from time to time, news of general interest to the profession. The JOURNAL merits the earnest support of every accountant in the United States.

The Committee acknowledges the courtesies extended to it by members of the profession, and the earnest co-operation of the President in the performance of his duties.

Respectfully submitted,

(Signed) H. M. TEMPLE,  
JOEL HUNTER,  
J. B. GEIJSBEEK,

*Committee on Press and Publicity.*



## *Annual Meeting of the American Association*

### **Report of the Committee on Federal Legislation, October, 1910**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

At the meeting of the Trustees in April, 1910, this committee presented a report of their labors in all matters relating to the subject of Federal Legislation, and since this report there have been no meetings of the committee as no reasons have arisen for its action.

The Corporation Tax Bill, in which we were so actively interested a year ago, afforded an opportunity for the Accountants to do much valuable work through the recommendation of the various changes which were submitted by them to the proper authorities. It was generally believed that the constitutionality of the Act as passed would be tested in the courts, which proved to be the case, and we are still waiting for the decision to be handed down. Meanwhile your committee has prepared a draft of an amended bill which should recognize Public Accountants in quite distinct terms, and which should obviate the most objectionable features of the present Act.

To quote from the report of last April:

"Nothing further than the preparation of this draft has been attempted as your committee believed that the present bill will be set aside through the decision of the Supreme Court. Whether or not the courts will sustain the present Act, there will undoubtedly be amended bills introduced at the next session, and every effort should be made to call attention to *our* amended bill which we hope may be known as "The Accountants' Bill."

It is believed by your committee that the near future will present better opportunities for securing direct or indirect legislation in favor of accountants than have existed before, and it is to be hoped that every member of the committee will be keenly alive to recognize such opportunities and to act for the common good when they may occur.

In this connection it is well to call attention to the fact that the several State Societies are not represented upon this committee which, according to the original conception thereof, should include a member from every affiliated Society.

Respectfully submitted,

(Signed) EDWARD L. SUFFERN,  
*Chairman.*

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### **Report of the Committee on Standard Schedules**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Committee on Standard Schedules through its chairman desires to report progress as follows:

On May 24-25, 1910, a convention was called by the U. S. Census Bureau at the New Willard Hotel, Washington, D. C., for the purpose of discussing standard schedules for Water Works accounts.

The members of your committee were invited to this Conference and the chairman and Mr. L. H. Conant attended. A summary of the purpose and results of the meeting is appended; also a "Condensed Scheme"

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for Water Works accounts which was discussed and acted upon at the conference, together with a letter by the chairman of this committee to Dr. L. G. Powers of the Census Bureau commenting upon the "Condensed Scheme."

The results of the conference were very satisfactory to us as members of your committee and very important in leading toward sound accounting structure and forms for Water Works accounts throughout the country. Action will be had in due time upon the conferences' report by the American Water Works Association, by the New England Water Works Association, by other water works associations in the various states and by our committee and later by our Association.

As the U. S. Census officials are in command of this movement, it may be accepted that the final standardized forms will be adopted by the Census and applied by it to all reports of water works throughout the country.

Your committee, therefore, reports satisfactory progress and begs to be continued, if such be the desire of the Trustees.

For the Committee,

(Signed) HARVEY S. CHASE,  
*Chairman.*

October 17, 1910.

### **Conference on Uniform Accounts for Water Supply Systems**

NEW WILLARD HOTEL, WASHINGTON, D. C., MAY 24-25, 1910

Held under the Auspices of the U. S. Census Bureau and the American Water Works Association

#### **ORDER OF BUSINESS**

Meeting called to order at 11 A.M., May 24, by

Dr. L. G. Powers, Chief Statistician, Bureau of Census.

Address of Welcome.

Dr. E. Dana Durand, Director of the Census.

Organization of Conference.

#### **SUBJECTS FOR DISCUSSION**

1. Objects and purposes of conference.  
Mr. Albert H. Wehr, Chairman of Committee on Accounts and Statistics, American Water Works Association.
2. Objects, purposes and general principles of public service accounting.
3. Public service accounting terminology with particular reference to water-supply enterprises.
4. Advantages of uniformity in water works accounting and method of obtaining this uniformity.
5. System of accounts for water-supply enterprises as recommended by the Census Bureau and American Water Works Association.
6. Depreciation—treatment of, and method of arriving at proper deduction for.
7. Preliminary operations—method of appraising value of.
8. Fair return upon the investment in the enterprise.
9. Cost of service and rate making.
10. Periodical reports of operation and financial results.
11. General rules and suggestions relating to use of the scheme of accounts and reports in practice.
12. Accounting forms for use in connection with scheme of accounts and reports.



## *Annual Meeting of the American Association*

### **Report by Special Committee on Guarantee Fund**

NEW YORK, October 17, 1910.

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

This Committee is composed of the members of the Executive Committee and five other members of the Association, appointed by the President on May 20th, in accordance with specific instructions given by the Board of Trustees at its meeting held in New York City last April. An organization was effected on May 26th, and the work was begun forthwith.

The Committee was "requested to use its best efforts to secure subscriptions from members of the Association to a guarantee fund, the payments to be made annually for a period of three years; the purpose of this guarantee fund being to defray the increased expenses which will be incurred by the Association" in securing the services of a suitable man to serve as Executive Secretary of the Association.

The Committee begs to report that a thorough canvass has been made of the members of the Association, each one being invited to subscribe to the Special Guarantee Fund for a period of three years beginning October 1, 1910.

The unit of subscription was determined at twenty-five (\$25?) dollars per annum. Latterly an alternative was offered under which the smaller sum of ten (\$10) dollars per annum would be accepted from those who might wish to contribute that amount. At the same time, it was determined not to take subscriptions from firms or corporations, but only from individual members of the Association.

As a result of its work, the Committee begs to report that one hundred and forty-five (145) members have subscribed twenty-five (\$25) dollars each, and seventy-three (73) ten (\$10) dollars each.

This makes a Guarantee Fund of four thousand three hundred and fifty-five (\$4,355) dollars per annum for the next three years, all or any part of which may be called for by the Board of Trustees of the Association. An alphabetical list of the names and addresses of the subscribers is appended to this report.

The Committee begs to report that it has considered the names of eight gentlemen, all of them having been suggested as available candidates by members of the Association not on this Committee. The qualifications of each of these gentlemen have been carefully investigated, and assurance may be had that a satisfactory appointment can be made, but until the policy of the Association has been determined, the Committee deems it wise not to make any definite recommendations.

Respectfully submitted,

(Signed) J. E. STERRETT,  
*Chairman.*

(Signed) GEO. WILKINSON,  
*Secretary.*

## STATE SOCIETY REPORTS

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### Report of the California State Society of Certified Public Accountants, Incorporated

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC  
ACCOUNTANTS:

GENTLEMEN: The California State Society of Certified Public Accountants was admitted to membership in the American Association of Public Accountants at the annual meeting last year with a membership of thirty-seven. During the year six new members have been admitted and one member has resigned, leaving the membership at present date forty-two. This membership represents a large majority of the practising accountants of the State of California. Most of the Certified Public Accountants of the State who have not affiliated with our Society are resident in Los Angeles, and we regret to state that, although we offered the Southern California Society every inducement to join this Society, they have not yet seen their way to join in a body, although our membership includes about one half of the Certified Public Accountants resident in Los Angeles.

During the year the Society has had monthly meetings preceded by dinners at which papers on accounting questions have been read and discussed. The attendance at these meetings has been very gratifying, and we all feel that the result thereof has been extremely beneficial to everyone who has attended, not only from an educational point of view, but also from the fact that they have promoted a healthy interest in the affairs of the Association and a spirit of friendliness among the members.

We intend at the annual meeting this year to extend to the Association an invitation to hold their 1911 Convention in San Francisco, and trust that this invitation will be accepted and that we will have the pleasure of meeting many of the members at that time.

Respectfully submitted,

(Signed) GEO. R. WEBSTER,  
*President.*

SAN FRANCISCO, Cal., September 21, 1910.

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### Report of the Colorado Society of Certified Public Accountants, Incorporated

MR. KINGWILL: If it be in order for me to do so, I will give a verbal report. I would simply state, as the incoming president of the Colorado Society and no report having been made, that the Society has kept up the interest in its work, but naturally not to the same extent as during the year we were expecting to become the hosts of the American Association; we have held several meetings of the Society, and we have had interesting papers read on some professional subject, as is stated elsewhere in the report. The members are alive to the importance of their work, and I think they are doing a fair share in keeping up the standards of the profession, and they are in every way in accord with its purposes.

Report accepted.



## *Annual Meeting of the American Association*

### **Report of the Connecticut Society of Certified Public Accountants**

THOMAS CULLEN ROBERTS, Secretary American Association of Public Accountants, New York City.

MY DEAR MR. ROBERTS: I regret exceedingly that I am unable to give you a different report from our Society.

More than one half of our membership are non-residents and the Connecticut members being scattered throughout the State, it is, therefore, quite difficult to get them to attend the bi-monthly meetings.

The State Board has recently granted three additional certificates, and two of the three have made application for membership in the Society.

We are by no means discouraged in regard to the future, and sincerely hope to report another year that we have done more good for the profession in general as well as ourselves.

Yours very truly,

(Signed) HARRY TREAT BEERS,  
*President.*

NEW HAVEN, Conn., September 16, 1910.

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### **Report of the Georgia State Association of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: On behalf of the Georgia State Association of Public Accountants I beg to submit the following report for the past year:

As our membership is small, there being only nine fellows, and they being absent from the city so frequently, we have had very few meetings during the year. We have fortunately been able to maintain our organization, however, and we hope before the end of the coming year to report a larger number of members.

Efforts have been made by some of the members to interest intending students of accountancy to prepare for the Georgia C. P. A. examination, and I believe with good results.

Respectfully submitted,

(Signed) JOEL HUNTER,

ATLANTA, Ga., September 20, 1910.

*Secretary.*

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### **Report of the Illinois Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Illinois Society of Certified Public Accountants has, during the past twelve months, continued its efforts to create public interest in our profession by every proper means.

It has held a series of five open meetings to which the local chapter of the American Institute of Bank Clerks, the Institute of Accountants, the students in the Evening School of Commerce and Accountants generally were invited. These meetings, which were generally well attended, were addressed by the following gentlemen:

President J. E. Sterrett, of New York, on "The Development of Accountancy as a Profession."

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Hon. Geo. E. Roberts, President of the Commercial National Bank, Chicago, on "A Central Bank of Issue."

Robt. H. Montgomery, C. P. A., of Pennsylvania, on "Governmental Supervision and Its Effect on the Profession of the Public Accountant."

Chas. F. Lowy, of the Chicago Bar, on "The Accountant as an Expert Witness."

Edward E. Gore, C. P. A., of Chicago, on "The C. P. A. Degree—Now and Hereafter."

The Society continues to take a deep interest in the Evening School of Commerce, having given a substantial cash prize for Scholarship during the year, which will probably be repeated the coming year.

The instruction in Accounting continues to be in charge of members of this Society, Professor Seymour Walton, C. P. A., conducting the advanced class, and Mr. A. E. Anderson, C. P. A., the intermediate class, while the class in first principles is in charge of Mr. Chas. H. Langer, a graduate of the school.

The growth of the school is gratifying, the number enrolled during last year being 362.

The Society has elected four new members during the year and lost two, a net gain of two.

Respectfully submitted,

W. H. ROBERTS,  
*President.*

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### **Report of the Kentucky Society of Public Accountants**

T. CULLEN ROBERTS, ESQ., Secretary, 56-58 Pine St., New York City:

DEAR SIR: Your favor of the 29th ult. to hand and contents noted.

I have absolutely nothing to report in regard to the Kentucky Society of Public Accountants. We have not had a meeting in several months, and there seems to be little or no prospect of having one in the near future.

There seems to be some diversity of opinion among our members regarding the whole matter, and, until we can get closer together on the subject, I do not expect anything to be done.

I regret that I cannot write you a more hopeful letter.

Yours truly,

(Signed) W. S. PARKER,  
*President*

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### **Report of the Maryland Association of Certified Public Accountants of Baltimore City**

BALTIMORE, September 14, 1910.

TO THE TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Maryland Association of Certified Public Accountants, in submitting its report for the past twelve months, begs leave to say that the past year has been one showing very little change in its conditions. The Association has had one meeting each month, excepting July and August, which meetings have been occupied with little beyond routine business. Owing to the fact that our State Board of Examiners appointed under the Act of 1900 has held no examinations since January, 1909, there has been created no new class of Certified Public Accountants from which to recruit our ranks, and, therefore, we show no growth.



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The only matter of general interest occurring through the year was in connection with legislation. One or more members of the Board of Examiners desired the repeal of the law of 1900, and its reenactment providing for a differently constituted board, and also providing for different classes of Certified Public Accountants. Our Association did not approve of this measure, and passed a resolution expressing its views. Copies of this resolution were forwarded to the chairmen of the committees of both houses of the legislation, and the bill died in committee.

A majority of our members desired that a bill should pass our legislation making communications between Certified Public Accountants and their clients, Privileged Communications, and exempting Certified Public Accountants from testifying thereto in any court in the State. A bill was, therefore, prepared and presented, but as it was not pressed very energetically it met with no better success than the legislation which we opposed.

On Tuesday, April 12, 1910, our Association held its annual Banquet at the Stafford Hotel, of this city, on which occasion we were honored by the presence of the President of the American Association of Public Accountants. This, we believe, was the first State Banquet at which ladies were present, two of them being members of our Association in good standing, and the others mostly members' wives.

Hoping that our next report will announce greater advancement, I remain,

Very respectfully,

(Signed) FERDINAND L. BRAUNS,  
*President.*

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## **Report of the Minnesota Society of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Minnesota Society of Public Accountants submits there has been but little activity in Society matters during the past year, caused primarily by two conditions:

*First:* Very little, if any, interest is manifested in the work of the present C. P. A. Board of Examiners, no doubt caused by the appointment to that Board of a person not qualified to serve as an Examiner, and the standard thus created has had the effect of discouraging the Associates of the Society from preparing for the examination. The feeling generally exists among the members of the Minnesota Society, that no member of the American Association or its Society, should consent to serve on the Board of Examiners, under the existing conditions.

*Second:* The action of the Board of Trustees at the April meeting of the American Association came as a great surprise to the Society, as it is earnestly believed that such action was not merited, and it is hoped that the Board of Trustees will see their way clear to rescind its action of last April.

Correspondence has been had with the President fully setting forth the position and attitude of the Society in regard to all matters that had been referred to it for consideration.

Much interest was manifested by members of the Society and the profession at large, by the adoption of a resolution at the annual meeting of the Minnesota State Bankers' Association, the text of which is as follows:

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"We commend the attitude of firms and corporations who sell their paper in the open market, in furnishing independent audits of their business by responsible certified public accountants,

And whereas, be it resolved, that we recommend this practice becoming general, and we further recommend that the affairs of all firms and corporations which are in any way identified with each other be audited by such accountants as of the same date."

The Minnesota Society has been invited to prepare and deliver a course of lectures at the University of Minnesota School of Commerce during the coming winter. The invitation has been accepted by several members of the Society, and these lectures will no doubt be productive of much good.

With kindly greetings to the members of the American Association, and expressing the belief that the New York meeting will produce substantial results to the general interest of the profession, we are,

Yours very truly,

MINNESOTA SOCIETY OF PUBLIC ACCOUNTANTS.

(Signed) H. M. TEMPLE,  
*President.*

ST. PAUL, MINN., October 6, 1910.

### **Report of the Missouri Society of Certified Public Accountants**

This is our first year as a Society of Certified Public Accountants, the C. P. A. law of this State having only gone into effect a little over a year ago. This year, therefore, has practically been a formative period, in which our efforts have been principally directed to securing a full membership of the C. P. A.'s of Missouri in this Society.

The results for the year can be summarized as follows: The State Board of Accountancy has issued C. P. A. certificates to seventy individuals—of these thirty-nine are residents of and practising in this State and ( ? ) have become members of our Society. Of the seventy certificates issued sixty-one were issued under the waiver clause of the law, and nine were issued as the results of the first examination held by the Board, at which ten candidates took the examination.

Some of our members at St. Louis have continued during the year to help sustain the course in accounting given by the City College. For the next year the College has arranged to use the Pace course of instruction. It will still be necessary for our members to assist in the teaching, but the labor required will be very much reduced by using the Pace course.

The Society is now arranging for a course of lectures to be given monthly at St. Louis during the coming season. This will comprise addresses on appropriate subjects connected with accounting, selected by the Society, by accountants from other States, including, we hope, the President or Secretary of the American Association, and by prominent lawyers and educators.

Owing to the distance of Kansas City from St. Louis it is impracticable for our members residing there to participate in the meetings at St. Louis, so they have formed a local Society known as the "Kansas City Society of Public Accountants," with a membership of twenty-one. The fellows in that Society are all C. P. A.'s, and nine of them are also members of our Society. The Kansas City Society also admits other accountants, and accountants' assistants as associate members. That Society is acting in harmony with our Society, and is arranging to have the Pace course of instruction given in connection with the Y. M. C. A. at Kansas City, and for a course of lectures during the season in which they will avail themselves, as far as practicable, of the lectures arranged to be given in the St. Louis course.



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### **Report of the Certified Public Accountants of the State of New Jersey**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

On behalf of the Society of Certified Public Accountants of the State of New Jersey, I am pleased to report that during the past year the profession of Accountancy in our State has made steady and satisfactory progress, and has obtained from our business and manufacturing communities a greater recognition of the value of the Certified Public Accountant to the modern business world.

The membership of this Society is limited to certified public accountants of and in the State of New Jersey, and is made up of forty-seven Fellows and six Associates, total fifty-three.

The meetings of this Society during the year have held much of interest to our members, and have also partaken of the nature of social reunions, at which, after a little dinner, many questions of importance to the Society and to the profession have been freely discussed.

A legislative matter of interest to the profession in New Jersey was the introduction of Senate bill No. 205, vesting the auditing of all counties and municipalities in the State Department of Accounts, and threatening the exclusion of the profession from municipal accounting work. We are pleased to report that this legislation did not pass.

The subject of Professional Education, and the securing of additional education and professional training opportunities, together with increasing the interest in the accounting profession throughout the State, has been given careful consideration. The work of our Education Committee, of which Mr. Edward L. Suffern is chairman and Mr. William T. Sawyer Secretary, has aided materially in awakening the interest of educators in this State; resulting in the establishing during the year of courses in accountancy by two additional educational institutions. In this work the committee has had the coöperation of the State Board of Public Accountants.

We extend to the American Association the best wishes of the New Jersey Society.

Yours very truly,

(Signed) JOHN EDWARD COOPER,  
*President.*

NEWARK, N. J., October 17, 1910.

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### **The New York State Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

On behalf of the New York State Society of Certified Public Accountants, I have the honor to submit the following report:

The membership of the Society as per the American Year Book, 1909, was 153, consisting of 148 fellows and five associates. The Society now numbers 210 members, including one honorary member, an increase of fifty-eight, consisting of 202 fellows, seven associates and one honorary member, and there are a number of applications for membership which will be acted upon at the next meeting of the Board of Directors.

The Society has held nine meetings during its fiscal year, and the following was the business transacted:

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- 1909.
- May 10th. Annual Meeting.
- June 14th. Announcement of Committees by the President. Testimonial presented to ex-President John R. Loomis.
- Oct. 11th. Report of Committee on Legislation suggesting amendments to Code of Civil Procedure. Report of Committee on Auxiliary Guild, New York State Society of Certified Public Accountants.
- Nov. 8th. Report on Convention of The American Association of Public Accountants at Denver.
- Dec. 13th. Address by Alfred Rose, Esq., on "Corporation Tax Law." 1910.
- Jan. 10th. General Business.
- Feb. 14th. Address by Homer S. Pace, Esq., on "The Education of the Accountant."
- May 14th. Remarks by Hon. Thomas A. Surpless on "Our Bills Now Before the Legislature," and an address by Dr. Edward L. Stevens, Associate City Superintendent of Schools of New York City, on "What Constitutes a Learned Profession."
- Apr. 11th. Discussion of the report of the Committee on Professional Ethics and the Committee on Violation of C. P. A. Laws.

There were no Bills presented in Albany at the last session of the Legislature inimical to the interests of our profession.

The Society, through its Committee on Legislation composed of Messrs. Sells, Morse, and Teele, endeavored to secure the passage of the Bills amending the Code of Civil Procedure, so that Accountants might have a greater recognition before the Courts, and the progress made was such as to cause us to believe that our efforts in this direction would meet with success in the near future. We feel that if we can get this State, which has such great influence in financial affairs, to recognize to a greater degree our profession, we will be benefiting not only ourselves, but the profession at large, and this is the aim of the New York State Society to benefit not only the members of our Society, but to be a help to others in obtaining adequate recognition.

That we may fully impress you with the interest taken in the profession in this State, I beg to add that the number of students who took the C. P. A. examination last June was eighty, and all indications tend to show that the number at future examinations will not be less.

HENRY R. M. COOK,  
*President.*

### **Report of the Ohio Society of Certified Public Accountants**

CINCINNATI, OHIO, October 4, 1910.

TO THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: On behalf of the Ohio Society of Certified Public Accountants I regret that circumstances beyond my control prevent a report of any matter of general interest to your Association.

We have held our annual meetings—slimly attended ones—but they were devoid of that interest that one could hope for. The reason for this is not far to seek. While our Association is numerically large, one half of its members are residents of other States. Owing to the expense of attending frequent meetings from which little benefit is derived, the attendance is generally small and, as a consequence, the control of affairs



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falls into the hands of a small coterie; and the experience of all kindred Associations shows that this is not conducive to the best interests of all concerned.

I am, however, optimistic enough to hope for better attendances at our meetings to the end that our Association, as a whole, may be benefited thereby and not a few only. I trust that the future of our Association will warrant a report that will chime in with general conditions.

Hoping that the forthcoming meeting of your Association will be a prosperous one and redound to the benefit of each and all of its members, I am,

Very truly yours,

E. S. THOMAS,  
*President.*

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### **Report of the Oregon State Society of Public Accountants**

OFFICE OF THE PRESIDENT,

PORTLAND, ORE., September 16, 1910.

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: We have not very much to report for the year just past. While we have not increased our membership, yet we have been able to retain the nine members reported to you last year, and better still, we are all in perfect accord and working for the best interests of the Society.

We had the opportunity to acquire two new members during the year. One of the applicants failed to pass the entrance examination, however, and the other had only a residence of a few months in the State, which prevented him from taking the examination at the time. While we are not yet a C. P. A. Society, yet we are its equivalent until we secure the necessary legislation, and it is our policy to accept into our membership only such men who in our estimation have qualifications that will reflect credit on the profession.

Two years ago we appointed a committee from our membership to try and secure C. P. A. legislation, but the effort failed. Our State Legislature meets in January, 1911, and this time we shall not delegate the matter to any committee, but shall go in a body and do our utmost to secure the passage of the Certified Public Accountant law.

We shall be glad to obtain from the older Societies any suggestion that may aid us in accomplishing this work.

Yours faithfully,

(Signed) ARTHUR BERRIDGE,  
*Secretary.*

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### **Report of the Pennsylvania Institute of Certified Public Accountants**

October 7, 1910.

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: On behalf of the Pennsylvania Institute of Certified Public Accountants, I am pleased to report a year of unusual interest and activity.

During the winter months special meetings were held under the auspices of the Meetings Committee, and following an informal dinner,

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papers were read on topics previously selected, followed by a general discussion. The topics included:

The Federal Tax on Corporations.  
Coal Mining Accounts.  
The Training of Assistants.  
Working Papers.

During the year we have suffered the loss by death of Dr. A. R. Barrett, one of the original members of the Institute, and a man of national reputation.

Our membership is now fifty-three, being a total increase of seven, all of whom are now members of the American Association or eligible to become members.

Yours respectfully,

JAS. WHITAKER FERNLEY,  
*President.*

### **Report of the Washington Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: The Washington Society of Certified Public Accountants desires to submit the following report for the past year:

Three new members have been admitted to the Society, and there will, doubtless, be a further increase in the membership, as seven applicants for the C. P. A. certificate were successful in the examinations.

With the object of promoting the interests of the members, monthly meetings are held, at which papers on accounting subjects are read and discussed.

The By Laws have been carefully revised, and several important amendments adopted.

A Publicity Committee had been appointed, with the object of increasing the volume of accountancy business, the campaign to be conducted within the bounds of professional etiquette and practice.

A delegate and alternate have been appointed to represent the Society at the annual meeting of the American Association of Public Accountants in New York.

The matter of this Society participating in the proposed annual meeting of The American Association at San Francisco in 1911 is under consideration.

The officers and directors elected at the annual meeting were as follows:

President.....	George Shedden
Vice-President.....	Andrew Quigley
Secretary-Treasurer.....	R. D. White
Auditor.....	C. M. Culp
Director.....	Wm. McAdam
Director.....	C. M. Williams

In the absence of the President, the writer has the honor of submitting this report.

Respectfully submitted,

(Signed) A. QUIGLEY,  
*Vice-President.*

SEATTLE, WASH., October 7, 1910.



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### **Report of the Virginia Society of Public Accountants, Incorporated**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: The Virginia Society presents its first annual report as follows:

#### ORGANIZATION

As a result of correspondence between the several Public Accountants in the State, a meeting was held in Richmond September 25, 1909, at which time the organization was perfected as the Virginia Society of Public Accountants, Incorporated, the State granting a charter October 6, 1909.

The initial membership consisted of

#### SEVEN FELLOWS

(admitted as members of the American Association at the 1909 annual meeting in Denver, Col.) and

#### ELEVEN ASSOCIATES

(admitted as members of the American Association at the April, 1910, Trustees' meeting in New York City).

We were assisted very materially by suggestions from several members of the American Association, especially Mr. J. E. Sterrett, Mr. T. Cullen Roberts, Mr. George Wilkinson, and Mr. H. M. Temple. The members highly appreciated the attendance of Mr. E. L. Hatter, of the Maryland Society, who came over from Baltimore for the sole purpose of rendering such aid as he could which was very valuable.

At first it was thought better to organize as the Virginia Society of Public Accountants, Inc., and later when the members received their certificates from the State Board of Accountancy, change our name to the Virginia Society of Certified Public Accountants, Inc., but after further consideration it has been decided to keep the name as it is in order to bring into our membership the public accountant, newly entering the field at any time, without regard to his being a Certified Public Accountant, and that by so doing we will better accomplish the purposes and aims of the American Association, and as a State Society extend a welcoming hand to the deserving applicant, as by placing him in a position to know the outcome of our various experiences, he can more quickly acquire the standards we attain to and become a "shouter" for the profession in general.

While a few have been practising for many years, their work was confined to certain concerns and not largely known, and only recently has the business interests generally awakened to the value of the work of the professional Public Accountant—and it would, indeed, be unfortunate to keep out a person of integrity and ability, when by having him with us, our range of usefulness is materially increased, as in the proportion of members to the public can the attainment of the desires of our State and National organization be measured.

#### REGULAR SOCIETY WORK DURING THE YEAR

Our meetings are held quarterly, beginning with the annual meeting at Richmond in September. During the year we have held three meetings at Richmond (including the 1910 annual meeting), one meeting at Norfolk and one at Lynchburg.

On account of the large amount of work attendant with procuring special legislation and perfecting our organization, it has not been pos-

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sible to devote very much time to the reading of papers on Accountancy topics—out of nine scheduled only four being presented—but it is planned that during the coming year at least three special papers and one address by some prominent person shall be had at each meeting, and to insure the fulfillment of this, we now have a set rule that any member failing to perform his part is subject to a fine of \$5.

After each meeting it is our custom to have a "near" banquet, which proves very enjoyable and of real worth in keeping our organization alive and working smoothly, and, if time allows, conclude the day with an automobile trip to some point of interest within reasonable distance.

It is generally conceded by our members and others that through these methods the Society, the American Association and Public Accountants in general, have undoubtedly a better standing in the State of Virginia at present than at any previous time. It is the intention, during the coming year, to hold at least one of our meetings in a city of the State where there are no Public Accountants, as the experience of the past year shows that the extra cost entailed is the most profitable expenditure the members can make—the difference in the individual expense being comparatively small, while the press notices given act largely as an educator to those who may not have formerly known anything of the work of the Public Accountant.

We are relating our experience with probably more than the required amount of detail, thereby placing ourselves in a position to invite your criticism. This being our first year's work, what seems to us to be the right course may be proven to be dangerous when placed before the veterans of the Association for their verdict. It is the sincere intention of the Virginia Society to carry out in every way possible the plans and aims of the American Association, and we want to know when we fail in our part.

During the early part of the year it was our misfortune to lose by death our fellow-member Mr. E. A. Barber, Sr., one of the two oldest accountants in the State. Since that time we have added to our fellows by advancement two of our associate members, and had one new member come in as an associate, making our present membership

EIGHT FELLOWS, TEN ASSOCIATES.

### SPECIAL WORK DURING THE YEAR

Through the efforts of the Society it has been possible during the 1910 session of the General Assembly to pass C. P. A. legislation. All the members worked hard on this matter and pulled together as a single man, which, directed by a very able Chairman, Mr. George Mahon, of Lynchburg, Va., made the outcome a success. At the session two years ago an attempt was made to pass a somewhat similar bill, which was unsuccessful, but credit is due to Senator John A. Lesner and Mr. A. J. S. Gammon for the interest they started at that time, which unquestionably helped when the bill was actually passed at the last session.

It is believed that the State Board of Examiners is made up of men who will see that the requirements of the profession are properly carried out, and that the requirements are sufficient to maintain the standards that may be set from time to time to adequately protect the interests of those who may hereafter employ such accountants as receive certificates.

It is intended that the Virginia C. P. A. Certificate will have equal value with that of any other State.

The first examinations are to be held during November, and it now looks as though there would be twenty-five or thirty applicants for the degree, either by regular examinations or waiver, which includes the eighteen members of the State Society.



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### RÉSUMÉ

Just about a year ago the Public Accountants of Virginia were absolutely without organization, in many cases never having met or heard of each other, and in these past twelve months an organization has been perfected, legislative action secured, and the Society is now in splendid financial and physical condition, and in a position to accomplish much during the coming year.

Personally, as the retiring president, it gives me pleasure to attest to the fact that, never in my experience have I seen men work as faithfully together, treating all matters with absolute frankness, no time for lasting dissensions, and without thought of personal gain.

Respectfully submitted,

W. O. HILTON,  
*President.*

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### Report of the Wisconsin Association of Public Accountants

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Wisconsin Association of Public Accountants was organized in May, 1905, with fifteen charter members, ten fellows and five associates. The Associate members and one of the fellows dropped out, three fellows of the Association died, leaving a membership of six fellows when application for admission to the American Association was made at its last annual convention. Since then the membership has been increased by one fellow and one associate, making a total of eight members.

Our Association has made two attempts at securing C. P. A. legislation, having introduced bills which were substantially copies of model C. P. A. bills endorsed by the American Association of Public Accountants. But while each time successful in one branch of the Legislature, it failed in the other. Our failure was due chiefly to the determined opposition of the Bookkeepers and Accountants Association of Milwaukee, instigated by two or three individuals, engaged in the practice of accountancy, not members of our Association, who for reasons best known to themselves prefer to see no C. P. A. law on the statute books of this state.

However, we hope that our efforts will meet with success at the next session of the Legislature, encouraged, as we are, by the attitude of the Wisconsin Bankers' Association at its last annual convention, when it formally endorsed the idea of C. P. A. legislation.

Beyond the activity of our Association in endeavoring to bring about the passage of a C. P. A. law, I regret to have nothing to report. I may, however, express the hope that eventually our Wisconsin accountants will take a more lively interest in those things which make for a better understanding, a loftier conception, and a more disinterested execution of the duties of the public accountant to himself and his profession in particular as well as to the business community in general.

While the deplorable inactivity of our Association in educational matters is absolute, Wisconsin is making rapid progress. Evidence of this is to be found in the fact that Marquette University of this City had this fall opened a School of Economics and Business Administration. This school and a similar one at the State University afford ample opportunities to the student of accountancy.

Respectfully submitted,

(Signed) HENRY SCHNEIDER,  
*Pres. Wis. Ass'n Pub. Accountants.*

## BANQUET

TOASTMASTER, MR. H. R. M. COOK :

Ladies and gentlemen, guests of this occasion, and fellow members of the American Association of Public Accountants—

The Supreme Court has recently established new lines of procedure, one of which is to curtail loquacity. The exhortation to "hurry up" may not be a wholesome one in its wide application to life in general, but no one can doubt its propriety in matters of oratory. No human being ought to have the right to inflict a speech of indeterminate length upon defenseless fellow-citizens, and it may be reasonably argued that such an outrage comes under the constitutional prohibition of cruel and unusual punishment.

Having in mind the law as propounded by the Supreme Court, and the possibility of summary reprisals on your part, I am going to be careful how I make myself the target for missiles in the shape of unused provisions which may lie within easy reach of my auditors. Realizing what might happen to me if you were all of the same mind, at the same time, I must be careful.

A professor was once examining a class on the subject of extinct species of animals, and asked a student to describe a "Losaurian." "Well," replied the student, "a Losaurian was an animal furnished by nature with a pouch, into which he retired when in danger." I almost wish I were a "Losaurian." (Laughter.)

In a recent issue of a magazine devoted to the interests of the accounting profession, a contributor to its pages undertook to outline the origin of the science. A statement which aroused my interest was to the effect that accountancy in the United States had its origin in Scotland. (Applause.) It therefore appears that we are operating under a Scotch patent, or else we are infringing thereupon.

While not wishing to take deep issue with the modern historian to whom I have referred, I cannot help calling attention to the fact that there was a science known in *these* parts as accountancy, even before the patent was taken out in Scotland. (Laughter.)

I am also incredibly informed by a distinguished archæologist of Philadelphia that our Forebears in the Garden of Eden kept their housekeeping accounts on leaves which they gathered from trees and used for this and other purposes. (Laughter.) I have come to the conclusion that this is the origin of what is known as the "loose-leaf" system. (Laughter and applause.)

At that time it appears there were only two figures in the world, and owing to the fact that these figures were not numerals, they failed to make good or be good, I forget which, and were declared of no account and lost their nice positions.

As a further evidence of the antiquity of the science, I desire to



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call your attention to the fact that the mechanical devices used in some accounting operations today are mere modifications of those in use long ago. For instance, the "abacus" invented and used by the Chinese thousands of years ago has stood the test of time so well that it may still be found in every Chinese laundry, as a mechanical means of accounting. It is obvious that The Burroughs Adding Machine, Herman Hollerith's Tabulating Devices and the Albee Self Tyranny System are merely modifications of the abacus and it is lucky for these people that the original inventor is dead, the patents run out and the statute of limitations in force, otherwise that Chinaman would have a good cause for infringement. It is almost needless to suggest that the Scotch patent has no standing in view of such indubitable facts.

And now, speaking more seriously (if it be possible to be very serious at such a festive gathering), the science of accountancy has made enormous strides with the past century, so that the conduct of business generally is today as nearly an exact science as can be exemplified, through custom, precedent, rule, and method. To my mind the professional expert in business sciences today is truly the public accountant. (Applause.)

Physical facts and business conditions are collected and set forth as a direct result of the existence of this science which is the mainspring of our profession, and brainy men give their entire lives to the broad and entrancing study of accounts; public prints are devoted to the exploitation of their findings and the business world is benefited thereby.

One of the greatest, if not *the* greatest, newspapers in this country, is known as "Bradstreets," and we are fortunate to have with us this evening its financial editor, Hon. John Greene, whom, I surmise, will tell us, among other things, of the methods by which, through the medium of accounts and statistics, the pulsations of the business world are noted, and recorded.

I take pleasure in introducing Mr. John Greene, the financial editor of Bradstreets and one of our New York State Commissioners of Education. (Loud and prolonged applause.)

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### **The Relation of Accountancy to the Business Community and Governmental Affairs**

HON. JOHN GREENE:

Mr. Toastmaster, Ladies and Gentlemen: It is with a sense of great diffidence, indeed, that I rise this evening in response to the call of the Toastmaster. It is so partly owing to the fact that I was not aware of the composition of the gathering before I came here. Mr. Cook did not tell me that I was to see this very goodly array of figures, which, contrary to his custom, I will divorce forever in my remarks from antiquity. (Applause.)

It is difficult for one to speak to these ladies, who compose so large a part of this gathering, about such matters as The Relation of Accountancy to the Business Community and Governmental Affairs. Happily

Mr. Cook has largely taken upon himself the discussion of that particular problem. I agree with him that accountancy and the related science, statistics, have an origin very far back indeed. Perhaps as a great French statistician has said: "The first administrative act of the first regular government established among men was to number its population, or at least its fighting population, and its second, to secure the return of the property or funds with which these fighting men must be supported." Far, far back indeed, are we led, when we try to trace the origin of the science of statistics. Among the Romans, as you know, a census very complete, very comprehensive and very complex was entered upon, and we have carried in the memories of the school boys today the names of some of the men—the name of one particular man who acted as a Censor in Rome.

In modern times it is perhaps true that little connection was traced between statistics of City or State accounting and the legislation of the states. At first it was as a science, largely what one of the professors called the science of Political Arithmetic, and with the growing complexity of affairs, with the gradual dependence more and more of statesmen upon precise and accurate facts, statistics came to form the basis of governmental action, a basis for physical discussion, and the State Accountant or the Statistician was called into the Councils of the Senate, of the Legislature, or into the Cabinet of the King, and we have an accountant, a great French statesman, in the Premier's seat.

As statistics have developed, however, in times comparatively recent, we are able now to distinguish accountancy which may be called a part of statistics from the more general science of statistics itself. Statistics, it may be said, lend themselves more readily to the service of the legislator. Statistics held up before his eyes, if they are comprehensibly gathered, if they are scientifically digested in this political, this social, and this commercial order, form a precise basis for the great and high legislative action of the nations of the world; but I am not speaking to those who profess themselves to be statisticians in that general sense. I speak to those who class themselves as accountants.

From the standpoint of one standing on the outside, as I confess I do, there seems to be this distinction that strikes the mind at once. The statistician deals with nation-wide, or wider than national, broad movements and activities and upon his labors the legislator rests. The Accountant has a more particular, a more individual duty. It is his function to deal with institutions apart from the state largely (though in some cases they may be agencies for the state), or the business may rise so large that it becomes as broad as the nation itself but mainly the accountant deals with particular institutions or particular business. His great function today—the great function of the accountant—will be rather along the lines of administration. It is his business, not as I understand it, to be in any sense a simple bookkeeper—the accountant is far more than that; his place is higher; his duty is deeper and broader. He is to act as a critic of all keepers of books; of all makers of accounts; he is to apply the critical method, the acid tests which will declare the



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validity or the invalidity of the accounts kept here or there, where you will. He is to say whether an account is straight and true; whether it tells a real story, whether it involves a fallacy, whether it misleads, and whether it brings those who lean upon it straight to the door of truth. That is indeed a very high function, and it is a function that is being increasingly exercised. As our business arrangements grow in extent and develop in complexity more and more, the need is felt of this scientific, critical tester of accounts, this man who can say whether an account is true or false. The accountant today officiates at the birth of all great ventures. Upon his dictum men do or do not embark in enterprises; in the vast world of changing forms and industries, the accountant is again a central figure. If a great combination is formed; if many widely separated enterprises are gathered into one and made to respond to the brain of a single person or to a Board, it is the accountant, who with unerring skill apportions the obligations and apportions the resources among these elements of a vast industry, and, at the death of institutions, the accountant is present to determine the cost of that decay, disease or death, to assign the responsibility and to estimate precisely the condition of what was once apparently a flourishing enterprise.

In the service of those great business bodies which we call municipalities, but which are tending to be great business corporations, the accountant is likely to play perhaps a wider and larger part than any that he has heretofore played upon the industrial or political stage. It will be for him to expose to the governing authorities, or to the people, the sources of weakness in the work of the municipality, the sources of waste, those elements which make for a loss instead of for gain, in the public economy; it will be on him or those who act upon his final and matured assurances that will rest the burden of delivering—as some may have to—to the city, the report of somebody's expenditures that are unfruitful or even worse.

These are high functions that the accountant is called upon to discharge, as I sympathetically—viewing his activity—see that activity in the time now here or shortly to come—and as soon as the consciousness of that important function in its bearing upon the life of his fellow citizens comes, it must be an exhortation to loftiness of purpose upon the part of every true accountant. He must aim to have it turn out that no judgment of his has been warped by his interest, or by passion, or has been forced by glamor—for glamor there sometimes will be.

It is a pleasant thing for one, feeling as your humble servant does, to see gathered in an assembly like this so many of those who, I am sure, aim to make the profession of accountancy fit to assume the high functions which offer to it; and if it may not be regarded as supererogatory for me to say it, it seems to me that this body of accountants is to be congratulated upon the fact that like others who have high ideals, who are not limited in their purposes, but simply to that of self advancement, they gather together to exchange thoughts, to agree upon improvements of methods; perhaps to bring about uniformity of terminology, uniformity in form or in interpretation of accounts. That is what the great statisti-

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cians did when something over fifty years ago they established their International Statistical Congress. The purpose there voiced by the great Baron Getterly must be uppermost, as I imagine, in the minds of those who form a great association like this. It is, he says, important that there should be brought about uniformity of investigation, uniformity of terminology. I, speaking with very little and altogether inadequate knowledge of the progress of your science, still believe and feel that you believe that to be a desirable thing today, and I may say to you that, again speaking very earnestly, your body, while acting as it does and continuously pursuing the purposes it has set forth, will attract to itself in an increasing degree the sympathy and the support of others, who, each in his own line, is endeavoring to render a true and a clear and an informing account of his work in the world. (Applause.)

### THE TOASTMASTER:

The interesting speech of Mr. Greene has afforded us an insight into many things, and indicates the viewpoint of financial and accounting supervision, and its relation to business generally.

Our next speaker squarely represents business itself in a most practical form. While we always reserve to ourselves the inalienable right to dictate how business should be done, and how large enterprises and corporations should be conducted and controlled, it does not always follow that the logic and massive wisdom of the public accountant is accepted unreservedly and as a whole.

While appreciating the value of the service of the accountant, the business man is sometimes disposed to oppose his local and practical knowledge against the wisdom, theory and ethics of the accountant. In other words, there are two sides to a question, and the views of a man justly entitled to be classed as a captain of industry may temper our theories and afford an insight into a wide field for practice.

It gives me great pleasure to introduce Mr. George A. Post to be our next speaker.

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### Figures of Speech

#### MR. POST:

With profound admiration and respect for the ladies, Mr. Toastmaster and gentlemen of this Association—

We have had great delight tonight in having the ladies with us. (Applause.) To a man who goes around the country to a great extent stumping stag parties, to have the distinguished pleasure of appearing before such a galaxy of beauty as this, I can assure you I am tickled to death. (Applause.) But there is also another point to it—I have necessarily to be absent from home a great deal on such occasions as this and when I get home it is the invariable custom of my dear wife to say, "Well, Baby, how did you behave yourself last night?" So you can imagine with what joyful anticipation I look forward to a reunion with my wife tomorrow morning when she asks me and I can say to



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her honestly: "It was fine" (laughter and applause), "because there were ladies present and that would restrain us always."

To one somewhat given to embonpoint, it is a little embarrassing to face a crowd like this, all of whom are very much stuck on their own figures. This after-dinner speaking game is an exciting one and full of perils. It is difficult to know just what to say to get in right, and it is so easy to get in wrong. In the presence of an assemblage of Certified Public Accountants, one naturally feels that he cannot talk with the freedom and jocular abandon he would if addressing a be-ribboned audience of suffragettes, a fun-loving congress of hotelmen, or the Supreme Conclave of the Imperial Order of Hoo-Hoos. Anything goes with them so long as you vociferously declare that you are with them and for them. The trouble with this outfit is that you want a fellow to produce vouchers for everything. The name of this Association ought to be "The Awful Order of Inquisitorial Why-Whys."

It would be quite conventional to begin this after-dinner effort with the remark: "To appear before such a wonderful aggregation of men who *figure* so extensively in our commercial, industrial and financial affairs, is the greatest pleasure of my life." Now, ordinarily a lingual bouquet like that would get a rise out of a crowd in the shape of a salvo of appreciative applause, but I am informed this sort of guff would not go here. Instead of applause, you folks would get nervous, knit your brows, and eyeing me suspiciously, would nudge one another and say: "Can that be true?" "I wonder where else he has been?" "We will call for a full statement of his past life." Well, anyhow, I'm not going to say it. I don't propose to take any such risk as that at my time of life. I am not hanging a red rag in front of a lot of analytical bulls.

I can tell you one thing: If the time ever comes when, in the interest of public safety, in order to prevent those who attend banquets from taking too much stock in what after-dinner speakers say, their oracular output shall be subjected to the heartless scrutiny of a Board of Certified Censors of public speeches, most of these dinners will be speechless. There isn't truth enough to go around, there are so many of them. If every man who stalks abroad through our land calling everybody a "crook" who doesn't agree with him had to have a certificate, that his statements were true, issued by a Qualified Examiner of Public Platform Utterances, our country would be much quieter than it is now. Perhaps if there were less noisy oratory in our land we might hear more of the hum of industry. (Applause.)

When I was invited to daub this post-prandial programme with some passionate verbal coloring, I was told that you people had little joy in your lives, because you were generally looking for trouble. I was tipped off by Perley Morse not to get gay, because he said that the auditorial penchant was to be serious and wrinkly-browed, because you were constantly groping in the dark, trying to lay your hands on something that ought not to be there. It was suggested also that if I wanted to say something particularly pleasant and complimentary to you, I would have to speak

very loudly because you people are practically stone deaf to any blandishments when you are on the job. (Applause.) Therefore, I'll have to forego the usual post-prandial taffy, for my voice is not very strong.

A striking peculiarity of yours was portrayed by the statement that while you are not a stingy bunch, yet, if you are *out* as much as two cents, you will hunt for it as long as you would for a thousand dollars, and that you never quit hunting until you have found it. (Applause.) As I am looking at you from this flower garden, wherein I am planted, you appear as though you had not only found the two cents but a good many thousands besides, which have found their way into your jeans. (Laughter and applause.) While you spend a large part of your time getting at the bottom of things, I should judge from appearances that you generally come out on top. (Laughter.) When, in the recital of your great talents, it was stated that your feats of making things balance were remarkable, I naturally inquired if you were a band of jugglers. This was denied with some heat. It was admitted, upon closer examination, however, that you are very familiar with juggling, but that somebody else always does the juggling. (Laughter and applause.)

There never was a more mistaken statement made than to say that talk is cheap. It isn't. The people of the United States have paid and lost many millions of dollars just to let some persons talk a whole lot. (Applause.) It is not the talk habit that has made our country great. It is the **THINK HABIT** and the **WORK HABIT**. (Applause.)

Some of our great department stores advertise as a special feature a Silence Room. This room is intended as a refuge for those who, for their own good and for the good of those who have to furnish the money, ought to be quiet and think things over. Within this mute retreat those who enter it may reason out the difference between what they really *need* and what they imagine they *want*. (Laughter and applause.) Obviously, our great merchants, who of necessity are profound students of human nature, have figured it out that in the interest of trade there are times when folks should "put up," and that it is equally imperative that at other times they should "shut up." (Laughter.)

Now, I don't want to say anything that might be considered ill-natured, nor do I desire to suggest any startling proposition, but in the friendliest possible way, and with all becoming modesty, I would remark, in passing, that business men really know a thing or two. Now, this may sound strangely to some who are not in business, but who make a business of talking a great deal. Business methods can be applied even to oratory. Take, for instance, the Silence Room business. Why could not this whole commercial discovery be applied successfully to that great department of human activity—political spell-binding? Now, that is a very exacting calling. It is hard on the lungs and throat, and sometimes it is even wearing on the brain. Now, if you had a Silence Room what a Godsend it would be to you and others! Those who practice it are apt to get nervous and hysterical. They get funny notions in their heads and they see spooks and things at night. In aggravated cases, they sometimes imagine that everybody is wrong but themselves. Again, what a God-



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send a Silence Room would be to them—and others! If such a place existed some of them might voluntarily "beat it" to the Hush Chamber, while those who did not know its number or location could be led gently but firmly to its portals. (Laughter.)

We Americans are getting very, very particular about the things we eat. We are paying a great deal of attention to the quality of things that go into our stomachs. We have found out that a lot of edibles upon which we doted were simply killing us off by the thousands. Hence the Pure Food Laws. But what about our Brain Foods? Great Scott! What a lot of unhealthy nerve-racking things we are cramming into our brains! We get all kinds of hot stuff and curious compounds. (Laughter.) We have daily and hourly served to us roasted industries, cooked statistics, economic flapjacks and desiccated reputations. (Applause and laughter.) The menu is opulent in a varied assortment of high-seasoned rhetoric. Soup is their specialty. The success they have in putting things in the soup is quite marvelous. The ingredients have a wide range, including men, women, commerce, manufacture, railroads and business in general, all cut in fine pieces by their relentless blades, then boiled in the bitter juice of enmity and canned ready for their ladles when they get ready to serve. At the feasts spread by the oratorical inconoclasts—there is never even the suggestion of *Mumm*. (Laughter and applause.)

What a wonderful uplift there would be if all those who undertake to purvey mental pabulum to mankind had to show under analysis that their output contained not more than one-tenth of one per cent of Benzozate of Bunk! (Laughter.) This is the era of regulation. Why not a Brain Food Commission? Of course, there would be a roar from those who had to make good before it, but they would get used to it. Besides, they roar anyhow. (Laughter.)

Gentlemen, the longer I stand here, the better you look to me. Don't be alarmed! I am not going to stand here much longer; it isn't necessary to your happiness that I should stay with you until breakfast in order to appreciate all your good points. It is what you stand for that appeals to me. *Accuracy of statements*. Your profession has won a high place in public confidence. It is now a pre-requisite for public confidence in any enterprise that seems to win the favor of investors, that its prospectus shall bear the Sign-Manual of Certified Public Accountants as to its truthfulness. (Applause.) There is a talismanic power about the word *certified*. You must in all things appertaining to your work be of immaculate honor, sound discretion and unquestioned power of correct analysis of conditions as they develop under your scrutiny.

If you are prejudiced, unfair and inaccurate, you are of no use to anybody; indeed you would be a great public evil. You undertake the performance of a solemn and sacred function in our business life. People must believe you. How careful you must be! How every figure must be checked and re-checked. Upon your deliverance the reputations of men depend, the safety of investment hinges. To you the widow and orphan look for protection. You must know the difference between error unintentional and deception intentional and act accordingly. No blacker

crime could be committed by any one of you than to make a false statement. You ought to be the best of citizens, the safest of counsellors and the most conservative of critics.

I cannot conceive of a Certified Public Accountant worthy of the name, who would indulge in defamatory gossip, exaggerated declamation or cruel innuendo. (Applause.)

Of course we cannot all be Certified Public Accountants. There would not be work enough to make a living at it if too many adopted this profession. But we may all adopt in our daily lives the rules of conduct which must govern you in the matter of statement. In all our utterances about our fellow men we can be honest. Yes, more than that, we must be intelligently honest. We must know what we are talking about. (Applause.)

If the average person only told what he *really knew* about somebody else, there would be vast silences where there are now geysers of volubility. (Applause.) What a great world this would be if we spent as much time in quietly and persistently hunting for the *facts* as we do guessing at them while our mouths are in volcanic eruption. The tear ducts of our nation would spill lakes less of bitter water if nothing but the truth was always told about people and things. It isn't necessary even when you do know what the truth is to climb upon the house tops and shout all that you know. I believe, from what I have observed, that you gentlemen perform some of your most valuable services to your clients by quietly calling their attention to things that need explanation or correction. Accountancy with brass band accompaniment would be just as baleful to this country as Government by yell. (Laughter and applause.)

This is a great country of ours. No man or set of men can have a monopoly of its virtues. We are a nation of about a hundred millions of folks—mostly good. (Laughter and applause.) Through your splendid association we have a means of testing the accuracy of figures in accounting, wherein are recorded the results of operations in the myriad enterprises that make up our world of business. It is the figures of speech that call for our most careful analysis, as they are used to influence the minds of our people. There is an avalanche of them. In the use of them we must learn that *credits* must be allowed to all entitled to them. *Charges* entered must be authenticated. (Applause.) The assumption of superior goodness by self-constituted critics is the equivalency of fictitious assets set up in a balance sheet. (Applause.)

He who throws verbal firebrands into a community from malice or for personal aggrandizement starts a conflagration more blighting and destructive than does the incendiary with his torch. Fire losses may be partially recouped by insurance. There is no balm for scorched reputations. Will Carlton put it aptly when he said:

"Boys flying kites haul in their white-winged birds,  
"But you can't do that when you're flying words."



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Now I beg and I entreat you, gentlemen, not to get it into your heads that I consider myself in the angel class, nor that I am a goody-goody boy who spits out pearls of purity as I saunter along a private path of perfection. I am just an ordinary man with a fair share of cussedness in my system. But I have been long enough in this world to have learned that a man may be my competitor in business, differ from me stoutly in opinion, and yet be a bully good fellow. (Applause.) I have learned that most of my suspicions that I have had of my fellowmen were groundless. I have learned that in order to be as good as the average man of my acquaintance, it has kept me mighty busy behaving myself. I have found that the less I talked about the mistakes of others, the fewer mistakes I made myself. In fact, it is my candid conviction, without underestimating the inconvenience or the debilitating effects of all the other ills to which we mortals are heir, that about the worst thing that can happen to any man is to have a violent vocal hemorrhage. (Laughter and applause.) It not only harms him, but disturbs the neighborhood. It beats all how many folks are troubled that way, and yet the desolation and the havoc caused by this awful plague, the mouth disease, finds no record in the mortuary or sanitary statistics. (Applause prolonged.)

THE TOASTMASTER:

We are honored this evening with the presence of the First Commissioner of Education of the State of New York, Hon. Augustus S. Downing.

It is to be regretted that owing to the absence of the Commissioner from Albany, he was unable to accept our invitation until too late to place his name upon our programme as one of the speakers.

I wish to assure Dr. Downing that the seeming omission was unavoidable, and that we heartily welcome him and appreciate the honor of his presence.

In a practical sense, no one person connected with the State control of education possesses so much power to energize our profession as does Dr. Downing.

From our association we have learned to regard him as a tower of strength whose sympathies and inclinations are with us in our endeavors to maintain and raise the standard of the profession.

It gives me great pleasure to present to you Hon. Augustus S. Downing, First Commissioner of Education of the State of New York. (Applause.)

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### **Accountancy Education**

HON. AUGUSTUS S. DOWNING:

Mr. Toastmaster, ladies and gentlemen: It goes without saying, I hope, on my part that this is an entirely unlooked for call upon me. Only to bring to you ladies and gentlemen the very cordial greeting of the Commissioner of Education, Dr. Andrew S. Draper, and to assure you not only of our earnest sympathy with your work but also to assure you that we realize the greatness of your profession, and because as

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a representative of the State, charged with the administration of the professional laws of the State, am I bound to respond to a call of this kind even though I do not have but a moment's warning in advance from my longtime friend, the toastmaster.

I speak, therefore, to you as one born south of the Mason and Dixon line, first to pay my most profound respects to the gentlemen of this Association because of their good judgment and their extremely good taste in bringing with them their wives and their daughters. (Applause.)

The statute which protects the degree of Certified Public Accountant is a distinct departure from the statutes which protect degrees leading to a license. The Medical Practice Act, the Dental Practice Act, and the like, do not protect the degree of M.D. or D.D.S., because a man may have a degree from a medical school, or the dentist may have a degree from a dentist school, and yet not be allowed to practice medicine or dentistry in the State of New York.

The professional acts were divided into two classes when this new act providing for the C.P.A. degree was placed upon the statute books. The first class of professional acts protects the life of the individuals of the state, and when the Legislature of a state passes an act protecting the degree of C.P.A., that state recognizes that it is bound as well to protect the property of the individuals of the state; and that is all that the act does.

In 1896 when this law was placed upon our statute books, New York State became thereby the first state to take this stand and to honor your profession by legislation upon the subject. In 1909 there were 19 states in the Union that had C.P.A. acts upon their statute books showing the progress of the idea that the State is as much bound to protect the property of the State as it is to protect the lives of the citizens of the State.

During these ten years there have been steadily growing higher requirements on the part of this Association, throughout the country, for the men who would enter the profession. There has always been in New York State, at least, the same preliminary academic educational requirement as for Law, Dentistry, Medicine, and the other professions. That is, man must in his academic education have at least a four years' course in a high school. There has been no change in the professional requirements save that the time for examinations in Practical Accountancy has been extended from three hours to six hours, and you will see the reasonableness of this when I tell you that of the failures in examinations there were upwards of 600 failures in this subject during the past ten years as compared with less than 300 in any one of the other three subjects, showing that this subject of Practical Accountancy is after all the one that shall determine the eligibility of a man for the C.P.A. degree. He may have the theory of accounts; he may have the commercial law; but if he has not the knowledge for practical accountancy required for business then he has failed.

We have by meeting with just such gatherings as this, from the standpoint of administration, a much broader outlook upon what the degree



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of C.P.A. means. Most people seem to think that a Certified Public Accountant is simply (as my friend Mr. Greene puts it) an expert bookkeeper. If the people who think this could be here at this gathering tonight, and meet and know the type of men who are here, they would understand, as I understand it, that you men are not mere expert bookkeepers or that you are experts only at determining whether a book account is correct or not, but that you are men skilled in getting to the very bottom of the largest business transactions which may be presented. And as this knowledge comes to be more and more widespread—not only will your own business be advanced pecuniarily, but the profession not only in New York State but throughout the country must advance in its requirements made of the men who are to enter the profession; and sooner or later you will find every state in this Union with a statute upon its books making a standard for the degree of Certified Public Accountant at least equal to that of New York State. (Applause.)

I must say to this Association in closing that during the past ten or twelve years the administration of matters pertaining to accountancy has been in the hands of the Board of Regents and there have been many unpleasant and disturbing incidents, but during the past two years, through the aid of our friend, the toastmaster and several other gentlemen prominent in business in this city and members of this Association, and especially through the State Board of Examiners, all the troubles have been removed and the work is going along with perfect smoothness. There are few if any complaints from men who are rejected; there are no criticisms of the examinations or of the way in which the papers are rated after the examinations have been written. In other words, were it not for the fact that the Commissioner of Education must sign the certificates granting the degree of C.P.A., I believe it would not have come to his knowledge during the past six months that there was such a thing as a State Board of Public Accountant Examiners. (Applause.) And I am free to say that I believe this is the true condition which should exist—that any business, whatever it may be, is best conducted and goes most surely to its most successful issue if there be little or nothing appearing in the papers or elsewhere about that business. The successful business man in your profession is the man who quietly attends to his own business, advertises only the wares which he has to sell, and is not exploiting himself and his methods before the public eye. (Applause.)

Ladies and gentlemen, the honor is mine to be here this evening, and I bring you the most cordial and hearty good-will and good wishes of the Commissioner of Education, and assure you that as far as it may be possible for the Department of Education and of the State of New York to advance the interests of Certified Public Accountancy, it shall be done. (Applause.)

### TOASTMASTER:

As is usual on occasions of this description some of our invited guests are unable to be present, and I am going to ask the Secretary of

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the New York State Society of Certified Public Accountants to be kind enough to read the declinations.

MR. PATTERSON:

Mr. Toastmaster, Ladies and Gentlemen—from the White House at Washington I have the following:

THE WHITE HOUSE, Washington.

BEVERLY, MASS., October 13, 1910.

*My dear Sir:* Your letter of October eleventh extending an invitation to the President to be present at the Annual Banquet of the American Association of Public Accountants to be held at the Hotel Astor on the evening of October twentieth has been received. The President greatly appreciates the invitation and regrets that his engagements are such that he will be unable to attend the banquet.

Will you please extend to the members of the Association the President's cordial greetings and his best wishes for a most enjoyable meeting.

Very truly yours,

CHAS. D. NORTON,

*Secretary to the President.*

MR. HENRY R. M. COOK,  
141 Broadway, New York, N. Y.

STATE OF NEW YORK,  
Executive Chamber, Albany,

October 12, 1910.

HENRY R. M. COOK, Esq.,  
141 Broadway, New York City.

*My dear Sir:* Your valued favor dated October 11th has just reached me. I thank you and the American Association of Public Accountants most sincerely for the invitation you extend, and I genuinely regret that it will not be possible for me to go to New York at the time you mention.

Sincerely thanking you and your associates for this privilege, I am,

Cordially yours,

HORACE WHITE,

*Governor of the State of New York.*

STATE OF NEW YORK,  
Education Department,  
Commissioner's Room.

ALBANY, NEW YORK,

October 13, 1910.

*Dear Sir:* It is very kind of you to remember me with an invitation to the Annual Banquet of the American Association of Public Accountants, to be held on the evening of October 20th. I shall at that time be in attendance upon the Indian Conference at Lake Mohonk, but I take this opportunity to send you my best wishes for a most happy occasion.

Very sincerely yours,

H. S. DRAPER.

MR. HENRY R. M. COOK, Chairman,  
The American Association of Public Accountants,  
141 Broadway, New York City.



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DEPARTMENT OF THE INTERIOR,  
BUREAU OF EDUCATION,

WASHINGTON, October 13, 1910.

MR. HENRY R. M. COOK,  
Chairman, Committee on Annual Meeting, 1910,  
The American Association of Public Accountants,  
141 Broadway, New York City.

*My dear Mr. Cook:* I beg to thank you most warmly for the kind invitation to participate in the Annual Banquet of the American Association of Public Accountants, on the evening of Thursday next. I should gladly accept the invitation if I were at liberty to do so. I have, however, promised to preside next week at the Lake Mohonk Conference of Friends of the Indian and other Dependent Races, and shall accordingly be unable to be in New York at the time of the banquet.

I hope you are going to have a very successful meeting of your Association. I am just finishing up the paper I promised to the meeting. Unfortunately, my engagements of long standing for next week have shaped up in such a way that I shall not be able to come to the meeting and present my paper in person. I am, however, arranging to send our Doctor Updegraff, whom you know, in my stead. Doctor Updegraff will read my paper and I shall be very glad to have him have the opportunity of becoming acquainted with the members of your organization.

With cordial greetings and good wishes, I am, believe me,

Very truly yours,

ELMER E. BROWN,  
*Commissioner.*

CITY OF NEW YORK,  
Office of the Mayor,  
October 13, 1910.

*Dear Sir:* I regret that the condition of my voice and health does not permit me to accept your kind invitation.

Very truly yours,

W. J. GAYNOR.

HENRY R. M. COOK, Esq.,  
141 Broadway, N. Y. City.

President of the Board of Alderman,  
CITY OF NEW YORK, Oct. 17, 1910.

MR. HENRY R. M. COOK, C.P.A., Chairman,  
141 Broadway, Manhattan.

*Dear Sir:* I regret exceedingly that an engagement for Thursday, October 20th, renders it impossible for me to accept the kind invitation of the American Association of Public Accountants to attend its annual banquet at the Hotel Astor.

Sincerely yours,

JOHN PURROY MITCHELL.

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THE OUTLOOK,  
287 Fourth Avenue, New York.

October 17, 1910.

OFFICE OF THEODORE ROOSEVELT.

*My dear Sir:* I wish I could accept, but it is a simple impossibility. I have received literally thousands of similar requests, and with the best wishes in the world it has proved impossible for me to accept one in a hundred of these invitations. I deeply appreciate the courtesy and kindness of those who ask me to speak, but you have no conception of the drain it is upon me even to accept the very limited proportion that I am physically able to accept, and I could not greatly increase this proportion or accept more of the invitations that come to me without absolutely abandoning all thought of any other work.

Faithfully yours,

T. ROOSEVELT.

MR. HENRY R. M. COOK,

Chairman, American Association of Public Accountants,  
141 Broadway, New York City.

THE TOASTMASTER:

Some people are apt to think that an accountant is completely circumscribed by nine figures and a cipher, and outside of that magic circle he cannot step. This may have been true in days long since past, but at the present time the circle merely represents a pivotal point from which the accountant, in his various functions, radiates with a remarkable degree of versatility.

Our next speaker has many views on many things, and from him we generally expect the unexpected, speaking paradoxically.

We are taught that the wise men came from the East, but I believe that they stopped off in Philadelphia, and left one of their number who was famed for his astuteness, as a man of business, coupled with certain sporting proclivities, and who became very popular.

I take pleasure in introducing Mr. James W. Fernley, President of the Pennsylvania Institute of Certified Public Accountants.

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### **A Quaker's Visit to Father Knickerbocker**

MR. JAMES W. FERNLEY:

To the Toastmaster, Ladies and Gentlemen of the American Association of Public Accountants:

I have been invited by your Committee to talk upon the subject of "A Quaker's Visit to Father Knickerbocker."

When the invitation was received, it caused great trouble in my mind. What did it mean? Why should Father Knickerbocker wish me to visit him? He a great swashbuckler of a Dutchman given to carousal, while my religious profession forbade the slightest levity.

Nevertheless, with fear and trembling the invitation was accepted,



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and I am here at last with you after many vicissitudes and unaccustomed sights on the way.

My wife, Hannah, on my leaving home, cautioned me about the many pitfalls in your great City and advised me to especially avoid that devil that taketh away the brains and converteth a good Quaker into a lively man of the world.

My experience in coming to your town, the Pullman car, the trip in two hours where in former times the horse and shay covered the distance in two or three days, the bubble machine, otherwise known as the Taxi, which took me to your Hotel twining in and out among the carriages, drays, cars, etc., in a manner that seemed reckless, the constant noise of the machine itself, from which I naturally thought that some part of the machine had gotten loose, but which I afterwards ascertained was a meter machine that was connected by a pump with my pocket, emptying the same, and which made me think that the proper name should have been Tax Me instead of Tax I, and my arrival at your hotel, where I was received by men in uniforms, who assisted me out of the above named Taxi, were all strange conditions to me, but seem to be your daily mode of living.

(At this point I will take the liberty of suggesting to the New York State Society that they take up the subject of Taxicab Taxation on the same general lines that they so earnestly discussed the subject of Federal Tax on Corporations.)

When registering at the Inn again a surprise awaited me; it was the first-day night and I was asked if I wanted a room with a bath. I was at first disposed to be angry at the calling into question my cleanliness and suggesting that I had not taken my usual seventh day bath, but considering that maybe that was one of the new ways of your town, I let it pass.

It may be that I will find it so dirty that more than one bath a week will be necessary.

I returned to my room, blew out the electric light and slept peacefully in spite of the many noises in your town.

After many inquiries and visits from and with Father Knickerbocker, I found many changes from the old times, that your paper money for which you are noted has disappeared, whether it has been redeemed or not I could not ascertain, and that it was safe for the members of my religious profession to visit Massachusetts or any part of New England, as they had ceased hanging or burning them.

That your enterprising citizens have ceased being pirates, chasing after gold and silver on the high seas to increase their wealth, which they expended in that section known as Bowling Green and White Hall in what was considered at that time extravagant living, but now it is said their descendants are principally located in tall buildings in the neighborhood of what you call your money marts, and acquire large wealth still by water, but it is found principally in stocks, which part the people from their money in a quiet way, far superior to the old fashioned vessels with their armaments calling upon everybody to deliver their goods,

or perhaps the latter way is the best, although the result is the same to the people.

And then my walk down Broadway, where everybody seems to be in a rush, no time to say good morning, or stop a minute to talk to a friend.

And the Theatres?

Those open doors to dissipation.

And the great steamers and docks.

Everything changes and everybody living at a rapid rate.

It confused me; I am told that you vie with London and the money markets of the world. You certainly have a great city, and are a great people and it does not seem to me that you have any time to watch and pray as we were taught, but somehow you get there just the same, as one of my friends did, as told in the following story:

A plain Friend and a preacher being the sole company at a dinner at a tavern by the wayside, a large brook trout was placed upon the table as they sat down. The preacher first pulled the fish in front of him as he sat down. Then he buried his face in his hands to say a silent grace. The Friend quietly pulled the fish in front of himself and began to eat it. The preacher finished his grace and looked up with surprise at the Quaker, who remarked, "Friend, the Good Book tells us we are to watch as well as pray."

And finally my friend Father Knickerbocker brought me here to what he told me was the yearly meeting of the American Association of Public Accountants, and I see before me a large number of ladies and gentlemen seemingly very prosperous and who have dined and have partaken of those spirits that Hannah warned me against.

The name Public Accountant has no meaning to me. I am told they examine properties, banks, etc. Why do people have their books examined or have plans made for their business? Is not the present generation able to take care of itself, examine its own books and conduct its own business? Evidently, there is some reason for it.

Are the land pirates who have taken the place of the sea pirates so busy with their business that it requires a highly educated class to take care of their interests?

And then I find that some of my old friends have come from Philadelphia, among whom are Joseph, James or whatever the letter J stands for—Robert, William, Edward, Joseph, Herbert, Charles—another Robert, another William and an Adam, but I have not yet heard of an Eve, unless it be even me.

There must be some good attraction to make these quiet men leave their homes in Philadelphia, but it is said that fame, loaves and fishes are responsible for many of the things of these days.

I am afraid I am talking too long and that you might do to me the same thing that happened to a fellow at one of our Meetings. This man's constant and insistent talking made him a nuisance, and he was warned to desist from talking so much, or he would be removed from the Meeting. On the next Meeting day he began as usual to speak. Four of the stoutest Friends caught hold of him and bore him out on their shoul-



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ders; as he was being carried down the aisle he cried out in a loud voice, "I am more blest than my Master—he rode on one jackass, but I am riding on four."

I hope I have not been as bad as that fellow, as I would like to say a few words to you about your own people. Many of your sons occupy high positions of the Nation, including the Attorney-General of the United States, whose birthplace was in our province, and many of your sons occupy places in all professions and in financial and commercial matters. The sons of my province, who have come to your shores, are not like the colored parson who got frightened and ran away, but stand pat. The story goes that two boys, who had been fishing had strung their catch on the same string. Passing a graveyard, they entered the gate to divide the catch, dropping two fish as they went inside the cemetery. An aged negro, passing, heard the two boys saying, "I'll take this one—you take that one—I this one—you that one," etc.

The negro listened in dismay, and ran away as fast as his old legs would carry him. He met his negro minister, who asked him what he was running for, and he replied, "I declare, Parson, I've been down yonder by the graveyard, and over the fence heard the Devil and the Lord parceling out the people atween them." The parson laughed at the old man's fright, and made him go back with him to the graveyard, to convince him of his error. The boys were still dividing the fish: "You take that—I take this," etc. Finally one boy asked, "What are you going to do with them two at the gate?"

This was too much for the parson and deacon, and they both ran off, neither wishing to take any further chances. (Prolonged laughter.)

While our religious persuasion is not partial to poetry, it would seem that the following, which was presented to me by one of the members of our Society, might fit this occasion:

Said Father Knickerbocker unto Father William Penn:  
"I'm holding a convention here this year of nineteen-ten  
Of many brilliant intellects from all the country-side,  
Who understand accounting and whose brains are certified.  
We would be pleased to have you come and bring your brightest men,"  
Said Father Knickerbocker unto Father William Penn.

"Good friend," quoth Father William to Father Knickerbocker,  
"Thee knows thy reputation is to all the world a 'shocker,'  
'Tis said thee has a gambling-hell hard by old Trinity,  
And along thy broadest highway and in its vicinity  
Thee keeps in glaring openness all manner of temptation,  
And I fear me what may happen to my tender delegation.

"I'm loath to turn my young men loose 'midst thy unholy crew—  
'Tis true their brains are certified, but are their morals too?  
We believe in Conservation here, down on the Delaware,  
In morals as in politics (we haven't much to spare)!

So I trust, Friend Knickerbocker, if I send thee these young men,  
Thee'll put 'em safe aboard the train and send 'em home again,  
Nor let them drink too deeply of that wine which is mocker,"  
Quoth Father William Penn sadte to Father Knickerbocker.

Said Father Knickerbocker, wroth, to Father William Penn:  
"Say, Bo, what's eatin' youse? *This* ain't no robbers' den,  
Come off from your high pedestal and look at your *own* graft;  
*Youse* ain't so much though youse *may* be as big as Biffy Taft!  
But there! I clean forgits meself; sure, age is over me creeping.  
There's hope for you yet, Billy, you're not dead but only sleeping!  
Brace up! I've already of your Quakers got a few—  
There's Joseph S., and William—likewise Robert, in my crew,  
Who travel back and forth seeking what they may devour,  
And *never* take of anything more than is in their power!  
So come along and bring your men: and at the close of day  
We'll take you out and show you sights along our Great White Way."  
Then if you *don't* want what you see, why it's surely up to you!"

Says William, "Well, Friend Diedrich, er—I don't care if I do!  
A little relaxation is incumbent now and then  
On men from *Philadelphia*," said Father William Penn.

It has given me great pleasure to be with you this evening and to bring greetings from my Province of Pennsylvania to your Province of New York.

I thank you Friend Knickerbocker for your kind hospitality and must bid thee farewell.

This ends the first act—the second act will be performed by my man Friday in order to prove to you that the feeling against Quakerism has died away. Mr. Harvey S. Chase of Boston will read a poem written by himself for this occasion.

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### Father Knickerbocker Invites William Penn to take Tea on the Top of the Hotel Astor

MR. HARVEY S. CHASE:

Ladies and gentlemen, our friend from Philadelphia induced me, under a promise of incognito, to assist a bit in some verses, and now he makes me the victim of these verses myself. However, the scheme of this little persiflage is this; Father Knickerbocker, in New York, sends a wireless message to William Penn, on the top of City Hall in Philadelphia, inviting the latter to come by his aeroplane and take tea on the top of the Hotel Astor with him and the Goddess of Liberty. This is what happened:

The night was fair and the moon shone bright.  
In Philadelphia not a light  
Was burning. It was half-past ten,  
And every good Quaker is sound asleep then!



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High on the tower of city hall  
Above the smoke of the night's dark pall,  
Stood William Penn with his steady gaze,  
Rapt in the visions of vanished days.

Years and years has he stood serene,  
Heaven and lowliest earth between,  
Around his form have the storm blasts blown  
With the lightning's flash and the thunder's tone.

Far from the East and the West and the North,  
The last of the wonders by man comes forth,  
For wireless messages crackle and roar  
And bring him the news from every shore.

Suddenly William raises his stick,  
He catches a message from Father Knick—  
"Will William come in my 'plane' to tea  
"With the Goddess of Liberty and me?"

With a wave of the stick and a fizz and a crack  
The wireless message is speeding back:  
"William will come on a little spree  
"With thee and the Goddess of Liberty."

Hark, from the distance beyond the main—  
The whirring drone of a monoplane,  
Like a flying monster of ancient days,  
With wide flung wings and eyes ablaze.

Before you can think, the thing has arrived  
And William's aboard in the seat contrived,  
And off like an omen of dire disaster  
Through the gloom of the night to the top of the Astor.

In fifty seconds, less or more,  
The monoplane stopped at the Astor's door.  
And William alighted to have a good time  
At the house of our host, Mr. Muschenheim.

Around the roof the lanterns glowed;  
From crystal bowls the champagne flowed;  
While Father Knickerbocker then  
Introduced the Goddess to William Penn.

The music breaks into festive strains,  
The night speeds on and the pale moon wanes;  
In the mazy waltz Penn spun around  
With the Goddess of Liberty—hobblegowned.

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'Twas a high Manhattan time they had,  
For William, though old, was by no means sad;  
Yet he thought with regret as the day was dawning  
"How diff'rent it is on the following morning!"

(Prolonged applause.)

### THE TOASTMASTER

Presidents come and Presidents go and so far we have always felt a tinge of regret when the term of office of our chosen leader is brought to a close, no matter who his successor might be.

Toastmasters appear and disappear; they have no term of office; receive nothing for their services and are well paid at that.

In one sense the reward of a retiring President for his untiring devotion to the interests confided to his care is small in comparison with the labor and time he has contributed to the welfare of his fellows.

Such reward, in a personal sense, consists of a conviction that he has done his duty as he knew it. However, there is, after all, a far greater regard than mere personal conviction as to duty performed, for those who have been benefited will not permit him to retire without expressing their appreciation of his services as an official, and their hearty regard for him as a man.

This then, President Sterrett, is your real reward, that you have the knowledge of the regard of your fellow members, and their best wishes for your success and future happiness.

Ladies and gentlemen, I ask that you join me in drinking to the health of Mr. Sterrett.

(The entire gathering rose and drank to the health of Mr. Sterrett and three loud cheers were given to him.)

MR. STERRETT: (Applause.)

Mr. Toastmaster, ladies and gentlemen—

I appreciate more deeply than I can express your kindness in greeting me as you have. I appreciate very highly, indeed, the support that has been given me throughout the past two years by all the members and Board of Trustees of the Association, and especially this past year by you, Mr. Toastmaster, as Chairman of the Committee on Annual Meeting and the others who have been associated with you. I feel sure, however, that the men who are present are weary of seeing and hearing me during the past few days and my sense of chivalry compels me to spare the ladies from anything further. (Applause.)

MR. TOASTMASTER:

Our natural regret at the retirement of Mr. Sterrett from the Presidency is mingled with feelings of pleasure with which we welcome President Suffern.

The unanimous election to such a representative position as that of President of the American Association of Public Accountants is a fitting tribute of our regard, and faith in President Suffern.



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There is a great opportunity for him to do much good, and we think he is the man to do it.

President Suffern, we wish you and your administration success and if unanimity and good feelings mean anything, then your pathway will be smooth.

Let us drink to the health of the newly elected President, Mr. Edward L. Suffern.

(The gathering arose and drank a toast to the President-elect, Mr Edward L. Suffern, and three cheers were also given.)

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MR. EDWARD L. SUFFERN: (Applause.)

Mr. Toastmaster, ladies and gentlemen—I wonder if the warmth of your greeting is not actuated by something of that motive and interest which a young lady expressed when she was thinking of coming to New York. She said, "I would love mightily to go to New York, because there are so many old things there." I wonder now if perhaps some of you are not feeling that way, and looking at me from the young lady's point of view. But, I want to congratulate you on the magnificent display of courage and endurance which you have established this evening, and which has stood the fatigue and strenuousness of these past four days; the fatigue which has been greatly lessened—very greatly lessened indeed—by the speeches to which we have had the pleasure of listening. While Mr. Fernley was speaking about a colored man, another story about one came to my mind. This colored man was going a-courting—he was a small man and his dusky charmer was a large woman. Wishing to make a long evening, he went very early, and stayed quite late. When he rapped at the door his sweetheart opened it, and said when she admitted him, "Now, honey, you sit right down dar, in dat cheer." So he sat down in the chair and stayed there, and along towards the last of the evening she turned around to him and said, "Is you tired, honey?" and he said, "No, Rosebud, I isn't tired—not 'xactly; I was tired 'bout two hours ago, but now I ain't tired, I'se only numb." (Laughter and applause.)

Now, I appreciate the feeling of numbness, and I assure you that I shall duly consider your tired feeling. (More laughter.)

We want to thank our kind friends tonight for their presence and encouragement. I think we all sometimes need a few words of encouragement. We have in our chosen calling an inherence of purpose; we have given you a very high place, in our humility as accountants, and we feel that it is due our clients—for our clients very kindly assist us in the exercise of that gracious virtue, and especially when we have occasion to speak to them on the subject of remuneration—so we have qualified that to a great extent.

It has been a very happy time—very happy for me and I trust it has been to all of you. We greatly appreciate the opportunities which come to us of meeting each other. Not only do we enjoy the delightful

social intercourse which has characterized our meetings wherever they have been held, but we also appreciate the opportunity which it affords us for the development of what I may call solidarity of purpose, because we are all striving toward a great end, and we desire also to have that purpose manifested in all that we do. We realize fully that if we desire to have our work esteemed we must make it estimable, and therefore we are giving our attention to a very definite end. We regard ourselves as those on whom will rest the duty to collect and to collate and to accumulate facts—facts only—and we might call ourselves the verifiers of facts, because however we may express the results of the work in which we engage, we want the fundamental vital principle which runs through them all to be that they shall state facts and state them as clearly as possible. We are largely encouraged in our work in seeing the opportunities—the larger opportunities—which are afforded us, to venture further out, further afield along the line of work which is the highest function of the accountant, which I may term the inductive work, wherein we are allowed to study from those facts which we are accumulating certain well defined principles, and apply these principles to probable facts which may be hidden or which may not yet have been demonstrated.

We are particularly glad and happy that the ladies have honored us this time with their presence. There have been so many allusions to the ladies there is little left for me to say, but I do want to say that we are delighted that you gentlemen have brought your wives with you—I wish you had brought more of them. (Laughter.) That remark is to apply solely to those who did not bring their wives with them. (Laughter.) Not only are we gratified with the presence of so many charming ladies, but they have contributed very largely toward a definite end, and that end is a higher appreciation of each other. The other day I said privately to two ladies, with whom I was in conversation, that it was a gratification to meet them—that it was always a great gratification to meet the wives of the men we meet in business, and to meet the men socially, for we don't always show the very best qualities with which we are endowed in business. But when we see the wives whom the men have been fortunate enough to win we regard them with something of deference; we feel that these men must really be possessed of very many higher and more beautiful qualities than we have ever given them credit for or they would not have been able to win these girls.

We have ended our convention, we have been very glad indeed to welcome you; we are very sorry to have you go, but, going, I can assure you that you take away with you our very best wishes, to your work and your homes. (Applause.)

#### THE TOASTMASTER:

As President Suffern has just reminded us, the convention of 1910 is practically in its expiring moments. The presence of the ladies has en-



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livened and encouraged, yes, and inspired us, and I am going to ask Mr. Samuel D. Patterson to say a few words on behalf of our friends, the ladies.

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MR. PATTERSON :

Ladies, you have been addressed by the first speaker in felicitous terms, by our second speaker in words of wisdom, by Dr. Downing on matters of education, and by President Suffern, who represents our intellectual strength, in language that has charmed you—and now they have called upon poor me to speak concerning the ladies! I have had to bother you so much during this convention because of my duties that you probably have heard almost all you care to from this direction. Let me beg of you now to remember this, that that attention has been given to you by one who has been taught that the privilege of a gentleman was to serve, and the Secretary of the New York State Society of Certified Public Accountants has been the serving man of your hosts and has endeavored to occupy that position. (Applause.)

I want to speak of a little incident that occurred when we were at Healey's on Tuesday night. I was enjoying the frivolity of the occasion when someone almost unknown appeared at my side; one of the cluster of friends spoke of the North and South. The sweet woman caught the inspiration of the moment—the South in her graciousness, the North in its clumsiness, but with the best of intentions, went around together as the band played "Dixie." You know, we of the North who helped to make this a country through our forefathers, in days gone by, think of the Southland just as a little sister, and as a little sister we bring to her the support and confidence of the North, and take pleasure, as we did last Tuesday night, in affording her an opportunity of showing just how gracious she can be to a North man as badly gowned as was the speaker. I offer to that little lady publicly my thanks for the sweetness and graciousness she displayed which helped to make the evening more jolly, and I wish to assure every lady here this evening that her presence has been to us an inspiration and thank them for their contribution of beauty, sweetness, and graciousness. (Applause.)

THE TOASTMASTER :

I believe that a convention would be entirely incomplete if the American Association of Public Accountants' Golf Club did not perform its usual functions. I understand that Mr. Montgomery would like to make an announcement in regard to the game of golf tomorrow.

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MR. MONTGOMERY :

I would like to state that the 1910 convention is not over, as all of those who are here tonight are urgently invited to go to the Grand Central Station tomorrow morning and take the 9.06 train to New Rochelle, where the annual tournament of the American Association of Public Ac-

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countants will be held. Those who have not their clubs with them can secure sticks at the Club House. They will furnish everything except that much to be desired article—skill. (Laughter.) They desire to have as many present as possible. Enough have signified their consent to make the tournament a success. We hope that some of those who have been in doubt will be encouraged by the good weather and will be with us tomorrow morning at 9.06. There is another train at 9.40 but the tournament will start on the arrival of the 9.06 train and we hope you will all be there. Buy your tickets to New Rochelle.

### THE TOASTMASTER:

Before parting this evening let us observe a time-honored custom. At every convention I think I have ever attended, we generally wind up by singing "Auld Lang Syne." I will ask you to rise and join with me in singing that old refrain.

(The audience arose and sang in great spirit "Auld Lang Syne.")

### THE TOASTMASTER:

I declare the convention of 1910 closed.



# APPENDIX





## Some Educational Bearings of Accounting

BY ELWER E. BROWN, LL.D.

*United States Commissioner of Education*

In the first place, let me speak of this subject in its more elementary aspects. Bookkeeping has long had a place with other commercial subjects in the courses of study of our high schools. It has been in fact, with good reason, the central subject of the commercial group, and in many instances the only commercial subject offered in a high school course. I find, indeed, that this subject was given a place in the course of study from a very early period in the history of public high schools. The Massachusetts law of 1826 provided that every town having five hundred families should provide a master to give instruction in several subjects of the high school grade, the first of those mentioned being the history of the United States and bookkeeping. The so-called High School for Boys in the city of New York, a private institution, not to be confused with the public high schools of a later date, provided instruction in this subject. The first report of this school, issued in 1826, made the following significant declaration:

“It should never be forgotten, that the grand object of this institution is to prepare the boys for such advancement, and such pursuits in life, as they are destined to after leaving it. All who enter the school do not intend to remain for the same period of time—and many who leave it expect to enter immediately upon the active business of life. It is very plain that these circumstances must require corresponding classifications of scholars and of studies.”

It then goes on to mention certain studies which are common to all of the students, bookkeeping being one of that number.

The fact is not to be blinked that much of this earlier instruction was unsatisfactory, and there remains at this present time dissatisfaction with its character and results. Where a separate

commercial course has been established, as an after-thought and one calling for only incidental consideration, inadequate provision has often been made for such a course, and it has become a refuge of incompetent and lazy students who have found the ordinary studies of a general high school course too severe for their tastes or abilities.

The business colleges have in many instances done better, in that they have thrown some of their best strength into their instruction in this subject, and have made provision in many ways for practical illustration of its processes and functions. It must be admitted, however, that where mere routine bookkeeping has been stressed as the central and typical subject of a course of commercial instruction, the result has been generally to prepare students to become mere clerks, recorders of the transactions of other men, rather than masters of a business or independent contributors to the advance of business methods.

No one whose attention was fixed upon these more elementary developments of accounting as they have appeared in the schools, could have anticipated the great advance which this subject in its larger and more scientific aspects has made within the past generation. There is no need that I remind you of that advance, when it is an advance with which the members of this Association are more intimately acquainted than I could possibly be, and to which they have themselves in many instances been large contributors.

It is easy to see, however, how this new order of accounting is reflected in the secondary and higher education of the present time. We have, indeed, entered upon a period when, generally speaking, the subject of commercial relations and processes has been brought within the circle of university studies and made a participant in the highest forms of instruction and research, with which our higher institutions of learning are concerned.

We have seen the building up of college and university departments of commercial science, beginning with the Wharton School of Finance at the University of Pennsylvania. We have seen the parallel development of city high schools of commerce, though even now there are only ten or a dozen such schools in existence; and the strengthening of commercial departments in public high schools and private schools of secondary grade all over the country.



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I am confident that this passage in our academic history is only in its beginnings as yet, and that its developments in the near future will altogether overshadow everything that has been done in this direction hitherto.

Take for an illustration the new course in railway administration which has recently been organized in the University of Michigan. This course is under the general direction of Professor Henry Carter Adams, who, in his capacity as the chief officer in charge of statistics and accounts of the Interstate Commerce Commission, has done so much to unify and improve the accounting systems of our leading railway corporations. Railway accounting, to be sure, is but a minor part of the work in this new university course of instruction, but it is intimately related to every other subject of the course. The outlook of such an undertaking is inspiring. One may safely expect for it a career of large and rapidly enlarging usefulness.

You would be able to criticize and improve upon any statement of the function of accounting which I, as a mere layman and outsider, might offer. Yet it may not be amiss for me to say at this point how your subject appears to such an outsider, who has use for the results of competent work in your field but is not himself an expert in the processes by which those results are obtained.

I look upon modern accounting as a system by which a business is analyzed, its different parts are weighed and measured, their relations one to another, at least their quantitative relations, are ascertained with precision, useful comparisons are instituted, the centers of waste and weakness are laid bare, and the way is made plain for continuous improvement. Now it is clear that such accounting as this involves the mastery of endless details, but it involves also the subordination of details to general principles, and the reference of all measurements and comparisons to a conception of the ultimate purposes toward which the given business is to be directed, and the whole sweep of policy and method by which the ends proposed are to be attained. Here is a field for the exercise of a high grade of scientific insight and imagination. The subject is accordingly one suitable for a place among the courses of our universities. It has much to gain from association with other university subjects, and there is also much which it can give in such association.

Such university study of the subject, however, in order to yield its full value, should eventuate in professional expertness—in the ability to apply the general principles to the wide range of particulars to which they are related. The kind of expertness which is attained by the trained public accountant is a professional output which would be a credit and an honor to any university. One of the extraordinarily interesting developments of modern business administration is the appearance of firms of specialists in the large subject of business methods. It is a noteworthy fact that the expertness which is represented in business houses of this type was not, generally speaking, gained from studies in a professional department of a university, but by more circuitous courses of training and apprenticeship. With the modern tendency of our universities to spread over the wider fields of human interest and occupation, I look forward to a time when such expertness and specialism will be the object of regular courses of university instruction.

I might go further and say that our universities, which are now chiefly concerned with science, that is, with the ascertainment and transmission of knowledge of things as they are, will eventually widen their scope to include the field of invention, whether in the fine arts or in the arts of utility. Such specialism in business methods as that to which I have referred is concerned not only with informing itself concerning improvements which have been made, but also with promoting the large initiative which takes the lead in improvements which are to be made. So university instruction in the central subject of accounting may be expected eventually to prepare not only the practical, routine accountant but the man who employs accounting as one of his instruments in the projecting of new and better things in the field of commercial activity.

Thus far the relationship of accounting to education, of which I have spoken, is that which looks to accounting as a subject of scholastic instruction and research. Before I close, there is another relationship of which I should like to say a word, that is, the relationship in which accounting has a direct service to render to the improvement of educational systems.

The office with which I have to do is largely concerned with educational statistics. We look upon the statistical presentation of any educational subject simply as a way of setting forth more



## *Some Educational Bearings of Accounting*

precise information concerning that subject than is otherwise attainable. Such exact information is needed by the public at large and by the teaching profession in order that they may have secure grounds on which to base their efforts for the improvement of the schools. In this point of view our statistical tables are intended to be a direct contribution to the improvement of educational systems. But it is clear that accurate and useful statistics can be prepared only on the basis of careful and systematic records of the facts reported. In one form or another good statistics are dependent upon good accounting.

It is an extremely difficult matter to secure over so large an area as that of the United States such a degree of uniformity in the recording of educational facts that really useful and reliable statistical tables can be produced, and that the comparisons which such tables are intended to facilitate can be safely made. It was accordingly a most gratifying thing to the Federal Education Office that the chief accountants of the school systems of a number of our leading cities undertook, a few months ago, to form an association for the purpose of cultivating this important field. A distinguished group of these officers honored us by meeting at the Bureau of Education and there forming such an organization. I look forward with great confidence to the results which this National Association of School Accounting Officers can accomplish. I am hopeful that their progress will be secure, and that within the next year or two we may see a substantial improvement in the educational reports of our great school systems all over the land. The Federal Census Office, with its tradition of wide cooperation, is lending its assistance to this movement. An important committee of the Department of Superintendence of the National Education Association is working to the same end. The Bureau of Education, to which the reports affected by such movement eventually flow, is using its best endeavors to serve as a convenient and helpful coordinating center for this whole undertaking.

I desire at this point to express my warm appreciation of the assistance rendered by members of this Association, along with others interested in our public schools, in the general endeavor to make our reports of American education more accurate, more informing, and more conducive to the advance of educational improvement.

**Discussion**

BY W. R. GRAY, B.L., M.C.S.,

*Assistant Professor of Accounting in the Amos Tuck School of  
Administration and Finance*

You may well wonder, perhaps, that one coming from one of the ancient colleges of New England, situated in one of the hill towns of New Hampshire, should even know what an accountant is, but the fact remains that we are becoming acquainted with accountants more and more, and the fact remains also that for ten years we have maintained a school,—a graduate school,—of administration and finance, which has given serious attention to the training of young men, graduates of college, for their future careers in business. Within the past few years we have given further and more intensive effort to the training of a few young men for the practice of accountancy.

I might say that our purpose in branching off from the lines of general business, and including also in our curriculum special training for accountancy, was the result of certain influences at work. In the first place, we found that the demands of business men,—and from our own information the demands of the business conditions of this country in general,—called emphatically for the performance of such services as the members of the American Association perform. We found, moreover, that many of the young men we had in our classes were demanding special training for a business profession which is commanding more and more a dignified position in common with the other professions.

There is another aspect of accounting and accountancy which led us further into the fields of accounting education, and that is the aspect of accounting which seems to make it one of the social sciences. We believe that accounting and accountancy is being recognized more and more as a social science, and our line of reasoning is somewhat like this: that there is commonly accepted nowadays to be no more promising method by which commercial and financial and industrial affairs in general shall be regulated than through the element of publicity. It follows that where publicity is attempted, and where publicity is made



## *Discussion*

effective, such publicity must be based upon accurate data, that data must be clearly presented and compiled, and there must be somebody to whom the public may look for the confirmation of the accuracy of data. I need not draw your attention to the fact,—the self-evident fact,—that the one body of men upon whom this confirmation,—the responsibility for this confirmation of data regarding publicity and corroboration of matter rests,—are the public accountants, and especially the certified public accountants.

It is these influences, which I have just cited, which have inspired us to enter this field.

Now, we have certain rather definite conceptions of what the future of accounting and accounting education must be. We believe that accountancy as a profession is becoming recognized as a profession that will eventually demand a training which equals the training that is accorded to men entering the professions of law, engineering and medicine,—these professions to-day demand in their highest form a preliminary liberal education, on the theory that you must train your man before you train your expert. We believe also, in order to effect the highest form of education, that attention must be directed most seriously from now on, as it has been within comparatively a few years, to the development of the science of accounting.

I think that perhaps you will agree with me in my statement that we have only scratched upon the surface of the science of accounting, that, as Dr. Brown's paper has intimated, the field for the development of accounting methods, and the development of accounting law and principles, is hardly in more than its infancy.

In addition to developing the science of accounting, I think it is evident to all of us, whether we are engaged exclusively in the matters of education or only partially, that one of the great factors upon which the success of future accounting education depends is the participation, by public accountants, in that progress; that participation may take usually two forms, either as contributors to the science of accounting, or as participants in the actual process of teaching. Those of us who attempt to teach accounting now have ample evidence of the part that accountants have taken in building up the science of the subject,—practically all the data that we have to work with have been the result of your

work and observation. We have to thank you also for participation, and your aid to us, in the actual process of teaching. It is along this line that I believe your services are especially needed, and along this line will be where we shall make further demands on you in the future.

I wish to urge on you especially, if the opportunity comes to you to assist in institutions in the teaching of accountancy, that you take advantage of the opportunity, not only for the sake of the school, but for your own sake. Those of you who have never tasted the sweets of teaching will realize, after the experience, that the profession of accountancy offers great possibilities, other than in the practice of accountancy, and the more you become involved in the art of teaching young men the principles and methods which govern in your profession, the greater will you feel the reward of your profession to be.

I wish to thank the President and the Association for my invitation to be present at your Convention, and I know that I shall derive great pleasure and benefit from it. (Applause.)

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BY JOSEPH FRENCH JOHNSON, D.C.S.

*Dean of The New York University School of Commerce,  
Accounts and Finance*

Some of you will recall that this subject was discussed at St. Paul three years ago, and that three or four members of the teaching profession prophesied that accounting was destined to become more and more important in the educational world. I am glad to say that we do not have to appear here now in the role of prophets; we are able to talk, rather, about what has been done for accounting by the schools and the universities. I am not going to undertake to tell you that in detail, for it would be too long a story. Most of you know that many universities in the United States are now teaching, or trying to teach, accountancy. One of the reasons why I can only say that the universities are "trying to teach" accounting, is that few men are trained to be teachers. Teaching is a profession or an art like yours, a difficult one to learn, and universities have found it an almost impossible task in these past ten years to find men who can teach accounting.



## *Discussion*

Those who knew it couldn't teach, and those who could teach didn't know it, (laughter)—I have done a lot of the teaching myself, (laughter and applause).

When I was a boy I had the choice, in preparing for College, between the classical course and the scientific course. There was another course that was put in for girls—and some of the fellows took it, too—it was the "literary course," and was considered easy. Every young fellow who had any brains took the classical course, and the fellows who weren't quite sure of being able to get through, but had some taste for knowledge, were shoved into the scientific course, where they had fourteen weeks in mathematics, fourteen weeks in chemistry, fourteen weeks in physiology, and so on. The very weak ones, the poetical and the dreamy, took the literary course. Those who were in the classical course looked with scorn on the other two courses. In College we found the same division of studies; the scientific course was not for the intellectuals, nor was the literary course.

Now it is all changed. The sciences have won a sure position in the university curriculum, and no student needs to apologize because of his interest in chemistry or physics. Twenty years ago no one in the educational world knew anything about accounting. Bookkeeping was apparently something which would never knock at a University door. At the present time accounting as a university and college subject stands about where the physical sciences stood twenty-five years ago. In other words, you still have to apologize for it a little, for our colleagues in other departments of the university are inclined to think we are not teaching a real science. Accounting stands where the natural sciences did in education a quarter of a century ago. It still has its place to make, its prestige to win. This it will do, for it is founded on a science, just as are law and medicine, and the other intellectual callings of men.

It is a science to which the educational world has not yet given enough attention. The fact that the accounting profession in the United States has been the first of the business callings to demand that it be viewed not as a mere business, but also as a profession, is something which, I think, will go down in history to the honor and credit of the practicing accountants of the United States in the years 1900 to 1910. (Applause).

*American Association Year-Book*

By J. B. GEIJSBEEK, LL.B., M.C.S., C.P.A.

*Dean of the School of Commerce, Accounts and Finance of the  
University of Denver*

I was exceedingly sorry that I could not hear the discussion on Dr. Brown's paper. Unfortunately, I was placed by the President on the Credential Committee which was holding a session while this paper was being discussed. I therefore do not know what has preceded me, and I am at a disadvantage, but inasmuch as you insist upon hearing from me, I will give you a brief history of how the Denver School came to be established, and that will give you an idea of conditions there, and what we have there to-day.

A few years ago the C. P. A. law was passed in the State of Colorado. Naturally Denver,—the Paris of America, according to the New York *Herald*,—inasmuch as it has established itself as the center of population in Colorado, (which for that matter it always has been) became the headquarters for the Board of Examiners and all its members lived in Denver. I happened, unfortunately, to be the Secretary of this Board, and when the first candidates for examination came up, the result was disgusting. Very few of the candidates who applied showed any preliminary study,—there was no application or preparation,—only two showed any study whatever,—and afterwards it appeared that the Board had judged rightly, because we heard from three parties that not one of them had given more than a few days' time to preparation for the examination.

I then told the other members of the Board, that it was important to provide for the education of the young men, for otherwise we could not insist on a high standard in our questions and examinations. Naturally, when the question arose as to establishing an educational institution no one desired to put the bell around the cat, so, after some delay I finally consented to be appointed chairman of a committee to investigate the matter after I had insisted that the work should go on and it should be accomplished. The committee's report, of course, was favorable and from it it was judged that it was a good thing to start a school—and as some have told me since, just to humor Geijsbeek and to let him ride his hobby.



## *Discussion*

The Committee was made permanent and I remained as Chairman of the permanent Committee. This resulted in the organization of the school and its faculty, and I was elected its Dean, to my great sorrow.

I have worked hard on the thing, and as I am, like my friend Mr. Wilkinson, a good stubborn Irishman, I went at it with a sledge hammer, and we have made a success so far. At the time of organization I was not able to devote much time and attention to it, as at that time I had a nervous breakdown, and had to leave for Europe. On my return I learned, to my surprise, that some of my associates had practically stolen the entire contents of the New York School catalogue. After investigation I thought it was a good scheme, for they had had a number of years of practical experience behind them; besides Dean Johnson had permitted it. So we have patterned our school after the New York School.

The question of financing the school came up, but it was impossible to raise money; so I gathered around me a few faithful men and told them what I was standing for, and what our school should be. They agreed to stand by me and were entirely willing to give their time and attention for three years, if necessary, free of charge. The result was that I had a faculty that didn't cost anything, and as a consequence we did not have to guarantee any amount like our famed accountants in Chicago.

After a year of struggle, with the much appreciated aid of Dean Johnson, who gave us a line on text books and notes about the work that was to be done, we had a satisfactory class of about twelve. The class advertised the school; we sent out a thousand catalogues. When they had made the rounds we had a second class of twelve and to-day, with a population which equals the State of Kentucky, or two hundred and fifteen thousand inhabitants in the City of Denver, we have fifty students,—which compared with the New York and other schools, I believe, is very favorable.

The faculty is gradually increasing. Nothing succeeds like success. The first year I had exceedingly great difficulty in obtaining the co-operation of the certified public accountants, but to-day, out of the seventeen professors connected with our school, we have eight who practice public accountancy, and with whom I am well pleased and satisfied. They have all done excel-

lent work, and the school has made excellent progress, and seems to be in a very flourishing condition. In regard to the curriculum, I wish to state that I found out that special courses are a financial burden to any University; therefore I promptly ruled them out. We decided that there were two things to be considered as a means to success: not only the financial part but the advertising that the students would give us if they left the school satisfied. I had just gone a few years ago through the law course of a University and therefore I knew that special students never are a recommendation to educational institutions. They invariably leave dissatisfied. We want our students to stay and see it through and then judge of our work; therefore all the lectures we give are obligatory, there are no elective courses and students must take the entire course, which consists of 32 subjects and covers a period of three years.

We have our lectures from 5:40 to 7:40 in the evening. We first had them later in the evening, but we found out that that interfered with climatic conditions and social affairs and the wives objected. All our students, with the exception of four are married men and range in age from 27 to 57 years. We have all the subjects the New York University gives with the exception of Real Estate, Advertising and Insurance. We had no call for insurance because we have but two Home Insurance Companies. However, recently the Northwestern University has instituted a course in Insurance and we have been called upon by our University authorities to insert in our catalogue this branch of the curriculum and we will provide for it next year if we can find an instructor. Advertising and Real Estate we don't need, on account of local conditions.

We have Banking and Railroad Transportation, Accounting, Practical and Theoretical, Law and Economics. I am a great believer in the advantage of a knowledge of law to the accountant; I believe that no accountant can do his work properly unless he is at least three-quarters of a lawyer.

As to the financial outcome we charge eighty dollars cash or ninety dollars on time (laughter), and therefore we have had some revenue. Our expenses are heavy and a great deal of the resources of the school went toward the establishment of the Accountancy Library—and we believe that we have many of the libraries beat even if we are only two years old.



# BASKINS & SELLS

## Discussion

The Professors divide up the proceeds after all expenses have been paid (laughter)—and the amount has gradually increased which has been a great stimulant! (more laughter). I have no doubt whatever, that if I would ask someone to aid us now I could get the proper assistance, for as I have said before, nothing succeeds like success.

The students are well pleased and are well satisfied and are walking advertisements. We have no complaint to make about aid from the practicing Public Accountants; they have stood by me loyally and without these men I would have accomplished nothing.

I have given you a resume of what we have accomplished in Denver in the hope that it may stimulate other cities to do the same thing. (Applause.)

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BY H. T. WESTERMANN, C.P.A.

*Lecturer on Advanced Accounting in the St. Louis City College  
of Law and Finance*

In Saint Louis there is a school offering a course in accountancy, The City College of Law and Finance, organized about two years ago along the lines of the Wharton School. The Missouri Society undertook to provide instruction in the course in accountancy, but found it a difficult task. In the first place there was no one member who could give to the work the time it really demanded. In the second place, being unaware that an outlined course was available, we attempted to prepare one, but it proved to be unscientific and in consequence not wholly satisfactory. In the third place, the uneven preparation of students was a great handicap.

This year these difficulties have in a large measure been done away with by the introduction of the course in accountancy prepared by Pace and Pace. This course being scientific meets the needs of the student whose preliminary education is limited and who has not formed habits of study. It is our good fortune to have in Saint Louis this year several men who are graduates of the Pace School in New York. They are lending valuable assistance in teaching the elementary course.

The work is being received with enthusiasm by the students and applications and inquiries are being received not only from Kansas City and other parts of the State, but from all parts of the southwest.

The thing I want to emphasize is that the demand for accountancy education is growing. Not only those who are book-keepers and auditors are demanding it, but university students as well. The popular courses in universities today are those which aim to fit men for the business world.

Two obligations are laid upon us by the increasing demand for training along the lines of our profession. First, the importance of a general preliminary education should be urged. Second, members of the profession should be encouraged to prepare text and reference books for the use of students.

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MR. KINGWILL: There is just one point that Mr. Geijsbeek didn't exactly bring out which might throw some light on the success of the school in Denver. Mr. Geijsbeek mentioned the fact that nearly all the students are married men. This means that most of them occupy good financial positions for they have to make a living for themselves and their families. While in their actual work, where they meet the practical side of accountancy, they are also students of the philosophical and the scientific side of it—you might say the economic side. They already have the practical experience and I think that is one of the reasons for the success of the school thus far.

We purpose when a man gets through he shall have had all the regular work which the school of accounting can give him; we cannot give him practical experience, and we find in younger men—men who have not had such experience—that that is one of the drawbacks with which we have to contend.

THE PRESIDENT: It has been a matter of regret to the Committee on Arrangements that Dean Edwin F. Gay of the Graduate School of Business Administration of Harvard, who was invited to come and take part in this discussion, is unable to be with us to-day. He would have been here had his duties in connection with the opening of the new year's work of the school not prevented his attendance. You are probably familiar with the work



### *Discussion*

that is being done at Harvard. The school was established two or three years ago and its courses are intended for those who hold a bachelor's degree. I do not know the total enrollment, but the school is doing very high-grade work. A number of accountants—members of our association—take part in the instruction by way of special lectures or by taking charge of entire courses. I mention this as additional evidence of the interest that is being displayed in accountancy by our leading universities.

If there is no further discussion we will stand adjourned to meet at 2.30 this afternoon.

## The American Association's Year

BY JOSEPH E. STERRETT, C.P.A.

The past year has been characterized by no unusual events or extraordinary circumstances, but it has nevertheless been a year of steady, quiet growth. One evidence of this is found in the growth of our membership. A year ago the Association had a membership of 765, exclusive of honorary members, and excluding the duplication of membership arising through membership by certain individuals in more than one state society. Including the members elected yesterday, our membership on the same basis is now 869, or a growth during the year of 104 members, which is considerably in excess of that in any previous year in the history of the Association.

This increase of membership arises in part through applications from those to whom certificates have been issued during the year by the various state examining boards, but it is also partly the result of an earnest effort on the part of the state societies to increase their membership in their respective territories. If all those who hold certificates would recognize the advantages accruing from membership in the society in the state in which they live, our membership would be largely augmented, and I feel sure that such a condition would inure to the mutual benefit of all.

Even though our ranks included all holders of C. P. A. certificates, our numbers would still make it apparent that accountancy in this country is yet in the comparatively early stages of development. In England, with a population much less than that of the United States, we find the Institute of Chartered Accountants reporting a membership in April, 1910, of 4,130, while the Society of Accountants and Auditors has an enrollment of some twenty-three hundred. Even in the far-off island of New Zealand the Society of Accountants in June, 1910, was able to boast of a membership of 2,146. It is true that a portion of the latter membership consists of men who are not in practice, but it is probable from the information at hand that the members actually in prac-



tice form as large a proportion of the total membership in the New Zealand Society as they do in our own. These comparisons are made in no tone of discouragement; quite the reverse. The English organizations represent a growth covering a period much longer than that of our own history, and bear testimony that our profession has been a potent factor in the wonderful commercial development of the British Empire in recent years.

One more C. P. A. law has been enacted during the past year, and we are glad to welcome the Virginia Society to this our family gathering, and to commend the high standards that have been adopted by the Board of Examiners of that State. It is also no doubt known to you all that Massachusetts amended its registration act, and now has a full-fledged C. P. A. law, thus making a total of twenty-two states in which these laws are in force.

In many states the legislature meets biennially, and this has been a so-called "off" year. Renewed efforts will be made in several states during the coming winter to secure legislation, and I trust that Kentucky, Tennessee, Wisconsin, and Oregon will find their efforts to secure C. P. A. laws rewarded with success. A movement is now on foot in the State of Maine, which will I hope also result in the formation of a state society and a campaign for legislation. The enactment of a C. P. A. law in the State of Maine would complete the four corners of our country, similar laws already being in effect in Florida, California, and Washington.

The growth of C. P. A. laws and the comparative ease with which these laws can now be secured leads to the contemplation of the next logical step in legislation relating to the profession of accountancy. Legislation of this type, whether for accountancy or any other profession, is justifiable only on the ground that it promotes the public welfare—the benefit, if any, to the individual practitioner being incidental and purely subordinate. Moreover, such legislation always places a corresponding responsibility upon those who seek its privileges. This feature is found as a penalty clause in every one of our present C. P. A. laws, but as these laws are permissive merely and only in a limited degree restrictive, the public does not have that full protection which the business interests of this country must sooner or later demand. As matters now stand, anyone, whatever his lack of qualifications may be, can practice as a public accountant, and even those hold-

ing certificates cannot be held to as high a degree of responsibility as could be demanded under a law that would limit the practice of accountancy to persons duly accredited.

In view of the present trend of public sentiment with reference to accountancy, the time is not far distant when our legislatures will give consideration to measures aiming at the restriction of the right to engage in public practice to persons who meet specified requirements, and we should, therefore, give careful thought to the form of restrictive C. P. A. legislation that will best conform to the needs of the business and investing public.

The report of the Board of Trustees and of the various committees and the several State Societies deal at length with the work that has been carried on throughout the year, but even at the risk of some repetition I desire to refer to a few points that are discussed more fully by others.

It must be a source of gratification to all to note the increased activity of the State Societies in holding meetings for the discussion of professional topics and for social intercourse. In perhaps no other way can the members of a State Society contribute more to their common benefit. No profession can amount to much until the members thereof become not only well acquainted, but imbued with a spirit of mutual trust and confidence. Furthermore, one of the obligations resting upon members who are older in point of service is that of stimulating by word and example the efforts of the younger practitioners towards a broader knowledge and higher ideals. The monthly meetings of State Societies provide an excellent opportunity for the exercise of such influences, and it is to be hoped that the present movement will be further extended. The growth of technical educational facilities has been going on apace, and perhaps the greatest need in this field to-day is for instructors of broad experience and real ability.

Another encouraging incident of the year is found in the invitation extended to the Executive Committee to appoint a delegation to attend a conference upon uniform legislation held under the auspices of the National Civic Federation in Washington in January last. This gathering was remarkable both in the number of organizations represented and the wide range of their activities. In addition to delegations from professional, commercial, and trade organizations official representatives of the several state



governments were present, and the deliberations of this body covered a period of three days. Upon the program provision was made for two representatives of this Association. At the close of the conference a set of resolutions advocating uniformity in state laws was unanimously adopted, and among these resolutions was one commending the effort to secure certified accountant legislation and urging that the largest practicable measure of uniformity be maintained therein.

Another instance of the same type is found in the fact that the American Economic Association, the leading organization of economists in this country, will devote one session of its meeting this year to an accountancy topic, and members of this Association have been invited to take part in the discussion.

A candid survey of the situation leads, I think, to the inevitable conclusion that the business community needs the services of our profession and is ready to recognize this situation just to the extent the individual practitioners show by their industry, intelligence and unswerving integrity that they are worthy of confidence. The maintenance of the highest professional standards is the one thing that in the long run will do most to benefit the individual and the profession at large.

It is highly gratifying that the way now seems to be open for the Association to largely increase its activities. A year ago attention was called to the fact that the Association has never had any permanent headquarters and further that a real need exists for the services of an officer who can devote his entire time and attention to the work of the Association. At that time the lack of funds prohibited any definite steps being taken toward either the securing of headquarters or the employment of an officer such as I have just mentioned. The Association, however, indicated by its action at Denver and again through its Board of Trustees last April meeting that a lively sentiment existed in favor of these projects, and this sentiment has crystallized in recent months in the form of subscriptions to a guarantee fund supplementing the funds of the Association during the coming three years.

The response to this call has been so spontaneous that there is now an available fund of \$4,400, an amount at least one-third larger than even the most sanguine member of the Committee had dared to expect. With the revenue from dues supplemented

by this guarantee fund the Association has a substantial income which, if wisely spent, ought to develop the best life of the Association and multiply its usefulness. The enthusiasm displayed in support of the guarantee fund may be taken as an assurance that the Association is very much in earnest, and that coming years will witness a development from within and a recognition from without that will far surpass anything we have hitherto accomplished.

Aside from the question of internal organization and legislation regulating the profession there are two lines of development towards which it seems to me the energies of the Association should be directed.

The losses incurred by banking institutions in this country traceable to lack of accurate credit information is simply appalling when viewed in the light of the lack of justification for such losses. To a large extent the bankers have themselves to blame for this condition. They have been so eager in competing for business that they have been willing to make loans on a basis of entirely inadequate knowledge. Only recently a large borrower frankly stated that the metropolitan banks could easily be fooled by almost any kind of a financial statement prepared for credit purposes provided it was written on a letterhead of a commercial house established for some length of time and bearing a good reputation. While such a statement sounds rash its truth is evidenced by the fact that this man had accomplished this very act and is now under a penitentiary sentence upon his own confession.

While the unhealthy competition among banking institutions will doubtless lead to the recurrence of similar losses, yet eventually bankers must learn that competition is commendable only up to a certain point, beyond which they must cooperate for self-protection. The truth of this is fully recognized by conservative bankers, and their influence is being exerted in favor of measures to protect the banks from unreasonable and unnecessary losses incurred through loans to borrowers. An indication of this spirit is found in the report of the Committee on Credit Blanks made to the Executive Council of the American Bankers' Association at its meeting in May last, at which time the committee presented forms suitable for use by banks in securing credit information from their borrowers. Among the queries



found in these forms is this pertinent one, "Have the books been audited by a certified public accountant? If so, give the name of firm and date of audit." These forms are now, I understand, officially recognized blanks of the American Bankers' Association and should prove to be a first step toward requiring an accountant's certificate to accounts submitted in connection with applications of all loans of substantial amounts.

The second line of development is in the field of corporate control. An effective form of control of corporations, which, while not hampering the legitimate activities of corporations and yet protecting the interests of the public, is one of the big problems for which we as a nation are now striving to find a solution. The corporate excesses that have characterized the past two or three decades have at last been brought home to the people and there is an evident determination to do something that will prevent the recurrences of practices that have disgraced our financial history. Many of these excesses have been incidental, no doubt, to the unprecedented accumulation of wealth in recent years which has strained our laws and social customs to the utmost. Both laws and business customs must, wherever necessary, be made to fit present conditions, notwithstanding that there are those in high authority who hold that in case of conflict business must be altered to meet the requirements of existing statutes. The sober common sense of the American people can, I believe, be relied upon to see that our laws are ultimately so framed as to enable the corporation and private individual alike to pursue their honest activities without fear or hindrances, and had the corporations, even ten years ago, generally given recognition to the honesty of purpose and the fairness of mind of the people as a whole much of the present agitation and discontent would have been avoided.

The one thing that has, perhaps, done most to foster and develop a spirit of dissatisfaction with corporate management generally had been the reluctance displayed by those in control of many large corporations to publish full and fair accounts of their financial position and the operations of their business. This lack of frankness has created a presumption adverse to business prosperity and the lesson is now being enforced that the doctrine of reasonable publicity of accounts must be accepted by those in charge of corporate interests.

The development of accountancy practice during recent years is of itself strong evidence of a growing belief that publicity of accounts supported by a certificate of audit is not only a reasonable requirement resting upon a corporation but that a frank recognition of this responsibility will go far to solve in an adequate and equitable manner the problem of corporate control.

During the past year the States of Massachusetts and Rhode Island gave recognition to this point of view when on April 14th and April 19th respectively they amended their laws relating to savings banks and provided that the trustees of these institutions shall appoint from their membership an auditing committee which shall at least once in each fiscal year cause a thorough audit to be made of the investments and the books of the corporation by a certified public accountant. The law further requires that the report of the accountant shall be made in duplicate, the original being transmitted to the board of trustees and made a part of the minutes of that body while the duplicate report must be sent by the auditing committee to the Bank Commissioner and filed by him as a public record. This legislation is in accord with the best business practice, and efforts made for the application of similar legal provisions to corporations generally would meet with the encouragement and support of a large and growing number of corporation officials and would merit the unqualified endorsement of the investing public.

It may be charged that in advocating measures of this sort we are seeking to benefit ourselves, but an enlightened self-interest that works a benefit to the community at large by strengthening confidence in conservative business institutions and conserving the interests of investors may be admitted without fear or shame.

Whether through Federal enactment or by state laws the present burning question of corporate control is to be solved I believe that in the interests of the public we should work together for reasonable publicity of properly accredited accounts of corporations. Our clients, who have voluntarily approved this policy, have the right to demand that we should take an active part in developing and shaping public opinion along right lines, and when the task is accomplished the public, that is now groping for something although it does not clearly know what, will applaud our efforts.



### *American Association Year*

As members of this new profession we are accorded certain privileges while still greater ones await us, and in turn we must accept the accompanying responsibilities. These can first of all be discharged by individual preparation and the maintenance of the highest ideals of honor and integrity, and secondly by co-operation in exerting our influence in favor of the establishment of correct business customs, and the enactment of fair and reasonable legislation.

# The Proper Form of Balance Sheet

BY WILLIAM H. ROBERTS, C.P.A.

Good, conscientious, capable work will always be the foundation on which the Public Accountant must build his reputation and success if the structure is to be permanent. Above this foundation the chief element in the structure is clear, able, comprehensive reports, and the lack of these will explain many a one-story reputation whose foundation deserves a skyscraper.

It is also true that some have built beyond the strength of their support and have exhibited cracked walls to the regret and confusion of us all.

Regardless of the care, skill and experience which the Public Accountant brings to his work, if he be unable to convey to his client the full import and effect of the facts which he has developed, he has lost an opportunity to make an investment of great earning power, to add something to his permanent structure.

The American accountant has too generally been at the disadvantage of having to look for his appointment and his fee to the officers or directors of corporations whose affairs come under his scrutiny, a situation full of embarrassment when matters arise which demand his criticism or censure. For this reason, the education of the public to a point where, as in England, he is the regularly elected representative of the stockholder and so, in a sense, of the whole people, may well invite our earnest efforts.

The reluctance of the public to invest in industrial enterprises has come from thousands of severe lessons in high finance, in which have been taught the risks taken by a minority interest through abuses of corporate control which could never have become so great had stockholders generally been able to discover and understand real conditions.

The demand for governmental supervision of corporations has grown out of this general feeling of helpless ignorance, a



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feeling which has not always been relieved by public accountants' reports, and if we do not want further advances by government into our field, we must at least make our reports so plain that no one of ordinary intelligence can misunderstand them.

Probably all of you have suffered keen disappointment when, what you believed to be an able and important report was scarcely looked at by the person you hoped to impress. There are two kinds of business men responsible for such disappointments: those who will not study any detailed report—the very nervous who imagine they are overworked or have no time and insist on ready-made conclusions, and those who have formed the habit of thinking themselves too ignorant of accounting to understand such matters and have, therefore, never really tried. To the latter class belong a surprisingly large number of investors and business men, and in order to reach them and to overcome their prejudices, we must get rid of certain needless technicalities in our reports and use plain every-day language both in our text and in our statements.

The day having gone by when a lawyer could impress any very desirable clientage by a lavish use of Latin terms, the intelligent attorney now discusses matters with his client in language which cannot fail to be understood, reserving the use of legal phraseology for the court room. In this fact, I believe, lies a suggestion of value to our profession, since there are many technical terms and methods necessarily observed in actual accounting which have no place in a report intended to inform the non-professional.

In a very large majority of Accountants' reports the *Balance Sheet* is the central feature, being, as one writer has aptly termed it, a cross section of the business, showing its condition at a particular point. A standard form of Balance Sheet would not in any strict sense be desirable even if possible, but there surely are some features of it which ought to be standardized and some principles which should be generally accepted, affecting its form.

That ancient controversy between the adherents of the English and American arrangement in which both domestic and foreign ink has been so copiously shed, need not be here reopened. Even if it were worth while as an academic proposition, the fact that the English form is required by law and that the

practice in this country is so firmly established as to be immovable, makes discussion profitless.

The term Balance Sheet, as nearly as can be generalized from the definitions given in the various works on accounting to which I have had access, strictly applies to a statement of Assets and Liabilities in the form of a closed ledger account, the closing or balancing being effected by an entry of surplus or deficit. The term itself appears to be derived from the "balance account" to which the ancient book-keeping practice required all other ledger accounts to be periodically closed.

This technical form, in which surplus is shown as a liability and deficit as an asset, no matter how ably it may be defended on theoretical grounds, is subject to the vital objection that common people *do not understand it*, even the term Balance Sheet conveying no meaning to most minds. We must, therefore, respectfully urge the greater merits of the *Statement of Condition* in which the assets (if greater) are first shown, the total being extended in a column at the right, followed by the liabilities, the total of the latter, similarly extended, being deducted from the former, showing surplus in its true relation, as the excess of assets over liabilities.

Where the liabilities are greater, the general form of the statement, in which they appear first, is in itself a clear and unavoidable notice of impairment.

In many cases where conditions need to be indicated with special clearness, it may be well to go still further and to first deduct from assets the total of *outside* liabilities only, the remainder representing surplus as to creditors, made up, in the case of a solvent corporation, of capital stock plus undivided profits, or, where impairment exists, of capital stock less deficit. To add even more to the clearness of the statement, the book value of the stock per share may be shown in this connection.

The next feature of the *Statement of Condition* regarding which discussion may be had is the order in which its constituent items should appear. A great variety of arrangement is observable in published reports and accounting practice, but there are only two radically different methods in use.

The form of statement desired by bankers, in which assets are listed in the order of liquidity, cash being first and fixed or capital assets last, with liabilities in a similar arrangement, has



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some adherents, but it may be noted that bankers do not themselves usually follow this order in their own statements which commonly begin with loans and discounts.

A great majority of Public Accountants' Balance Sheets, however, show assets substantially in the order of their fixity, a form which has been made mandatory by the Inter-State Commerce Commission, the Railroad Commission of Wisconsin and other governmental bodies. There does not seem to be sufficient merit in the bankers' contention for the opposite arrangement, to justify a change from this usage now so well established, especially since it is as easy in a statement where fixed, deferred and current items are properly grouped, to compare liquid assets with current liabilities as in one where these are given first place. In the interest of uniformity, therefore, the order of fixity should certainly be made the professional standard.

Carrying out this idea the following general groups may be given as applicable to the average manufacturing corporation and as indicating the principles applying to any commercial business:

### ASSETS

1. Fixed (a) Intangible.  
(b) Tangible.
2. Deferred charges to future operations.
3. Investments.
4. Current.

### LIABILITIES

5. Fixed.
6. Current.
7. Capital or proprietorship.

Under Fixed Assets—Intangible, the first item should always be Goodwill, if any is claimed, not only because it is the only absolutely fixed asset of a business, in the sense that it cannot be sold while the business continues, but for the more important reason that its frequently questionable value makes its prominence necessary to attract attention and for the better protection of the Accountant who certifies to a surplus of which this item forms at least a part.

Patents, Franchises, Leaseholds and similar properties be-

long in this group, being placed in the order of their length of life.

The Tangible group covers Real Estate, Buildings, Machinery, Equipment, Tools and similar comparatively permanent properties used in the business. Where statements are rendered periodically there should be shown as to each item of fixed assets the value given in the last prior statement, the additions since and the allowances for depreciation or other deductions, extending only the net.

The fact that depreciation appears on the ledger as a credit balance in a separate account is no excuse for stating the asset item at more than it should be, nor is it reasonable to expect the reader to hunt up the corresponding item among the liabilities and make the deduction which the accountant ought to have done for him.

Deferred Assets or Charges to Future Operation will properly follow fixed assets because they are not to be considered as available for any other than operating purposes. These may include, besides expense advances, insurance and interest prepaid, such operating supplies and materials as are not of such a nature as to be readily salable or are not sufficiently important in amount to deserve grouping under a separate caption along with unfinished product. The inclusion of the latter among current assets may or may not be proper, according to circumstances and the nature of the business.

Investments include properties and interests not directly related to the regular business and under this head may be listed Special Funds which should always be given titles clearly describing their nature and purpose. In fact the accountant should never be bound by the titles used by his client when others more descriptive or more easily understood can be substituted.

Current assets, it is unnecessary to state, will cover Manufactured Goods, Merchandise (the latter term being properly given only to goods bought to be sold in the same condition), Bills and Accounts Receivable and Cash. In stating Receivables, the amount due from customers or trade debtors should always be stated separately and the general nature of any others clearly shown. Any reserves for bad debts, freight on delivered sales or other allowances must be deducted on the face of the statement and only the net extended. In certain lines where cost of



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collection is very large, it should be allowed for and trade discounts claimable must not be overlooked.

Notes Receivable which have been discounted and which may be erroneously treated on the books as having been paid, must be set up among current assets with a corresponding amount stated among the liabilities.

Notes past due or on which serious default in interest exists ought to be so designated unless covered by the allowance for bad debts.

A very interesting question sometimes arises as to the accountants' duty in cases of hypothecated accounts or contracts. Strict regard for the truth would seem to require a clear statement of this fact, even at the certain sacrifice of the credit of the concern with consequent damage to the stockholders. How far the Accountant should go in the protection of a client's credit, is sometimes a very nice question and not one to be decided offhand or covered by fixed rules.

A qualification as to Inventories ought always to be made, if not on the face of the Asset Statement, then by reference therefrom to the accompanying text in which the responsibility for their correctness should be clearly stated. As it is unusual for Accountants to actually take inventories, the point may be covered by some such notation as "Inventories as furnished, not verified" or "Verified as to extensions and footings only." It is, of course, needless to say that cost (or market value, if less) should be the only basis of pricing permitted.

The Fixed Liabilities of a business usually consists of Bonded or Mortgage Indebtedness and the Current Liabilities of Bills Payable, Accounts Payable, and Accruals, the difference between the total of these and the aggregate assets being proprietorship, surplus as to creditors or capital value.

In this classification of liabilities, it will be noticed that no mention has been made of Reserves for bad accounts or for depreciation, for the reason that, as stated above, all such "valuation accounts," as Professor Hatfield terms them, should be treated as deductions from the asset items whose value they are intended to modify. This principle should also be followed in stating the amount of unissued or unsold bonds and capital stock, only the net amount outstanding being extended. The contention that such items are an asset is not well founded since

it would apply with equal force and often more truly to an unused line of credit at bank which no one would ever think of claiming or of including in a Balance Sheet.

No form of offsetting should of course ever be countenanced, nor ought equities to be listed as properties at net figures without full explanation. Real Estate under mortgage, made or assumed by the client, should be shown as an Asset at full value and the mortgage indebtedness stated among the liabilities with clear reference to the asset item affected. Where the indebtedness is not the debt of the client, either as maker or by assumption, as part of consideration paid, the statement should show the value of the pledged property with the incumbrance deducted in the margin and only the net extended. If Capital Stock is included as a liability (and this is unobjectionable, except where it is desirable to declare Surplus as to Creditors), Preferred Stock ought always to be placed before Common.

The make-up of Surplus or Deficit, beginning with balance per previous statement and showing current periods, Profit or Loss, Dividends deducted and present balance, is the most significant feature of the Statement of Condition, and should be so simply worded as to compel attention and insure its being understood. If reference is given therein to the detailed manufacturing, trading or profit and loss account of which it is the epitome, it may lead to that careful study by all interested parties which every public accountant's report should deserve and receive.

In making deduction of dividends where preferred stock is involved, care should be taken to do this in accordance with the terms of preference, non-cumulative stock dividends being payable from current profits only.

Generally, the public accountant is under no moral obligation and ought not to be under compulsion to blindly follow either the arrangement or titles of the accounts found in his client's ledger, nor should he fail to show facts or to consider adjustments in his statement, even though the client failed or refused to bring his books into harmony therewith.

The public accountant cannot afford to lose sight of the fact that he does not represent alone the officers of a corporation who may have engaged his services, but that the stockholder, and, in a less degree perhaps, but in a very real sense, the general public before whom his report may go, have strong claims—have, in



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fact, the right to demand the *facts* set down with all possible clearness.

It is not enough that reports *contain* the truth; they must *tell* it so that no one who reads may fail to understand.

THE PRESIDENT: The paper is now before you for general discussion and we shall be very glad to hear from any of the members present.

MR. THOMAS BIRD DIXCY (New York). Mr. President:— In the paper which has just been read there is one statement which I think should not be permitted to stand unquestioned.

In that part wherein allusion is made to the verification and pricing of inventories, the author remarks that "it is, of course, needless to say that cost (or market value, if less) should be the only basis of pricing permitted."

This is not the time nor the occasion for an exhaustive discussion of inventory valuations, since the paper primarily deals with the proper *form* of balance sheet; but I believe it to be in order to take an exception to any such broad generalization which derives its importance from the fact, as I view it, that if that dictum goes unchallenged into our Year Book, it may be considered as representing the sense of this Association. I submit that it does not do so.

It may not be improper nor irrelevant briefly to point out that the statement involves a very serious fallacy. In my opinion, the cases in which any other figures than actual cost can properly be applied to inventory valuations are the exception; not the rule.

The statement would be true, for instance, if, for purposes of liquidation, *all* assets were to be valued at what could reasonably be expected to be obtained for them in realization. Decidedly, it would *not* be true in the case of the supplies consumed in the product of a going manufacturing concern. A manager who would establish his selling prices by basing his cost of manufactured product on valuations that were less than what he had paid for his supplies, would merely be issuing an invitation to a receiver to take charge of his plant.

This whole question is, perhaps, the most important that the practicing and practical (in contradistinction to the theoretical) accountant is called upon to answer. Circumstances alter cases, here as elsewhere, and each case must be considered in sympathy with the conditions which surround it; but surely the matter is

too vast and too momentous to be disposed of in an academic sentence of a dozen words.

I thank you for your attention; my sole purpose in addressing you is that the statement shall not go on record undisputed, to be construed as the opinion of this Association, made with its acquiescence.

MR. SPENCER: I think I brought out this same thought at the Denver meeting. For a going concern, if we want the exact cost or less on sales we must take our inventories at cost,—and for a going concern, all inventories, if we are going to lay down rules,—I would lay down the rule that inventories should be taken at cost, and then if there is any depreciation, another inventory should be taken at the depreciated prices and in closing, if made at the depreciated prices, to show the loss by reason of this depreciation. Of course, in making up a statement my thought in winding up a concern, would be that you then take the inventory at value.

MR. RAYMOND G. CRANCH: Mr. President, I would like to state that in my opinion this paper does not provide for showing the total net investment in one sum, but separates it between the capital stock, which is treated as a liability, and surplus. Would it not be better to state first, the total assets in the usual way; to state secondly, the total liabilities excluding the capital stock, the amount of which is really part of the net worth; and then to state under a subheading, "Net Worth of Company" the capital stock, the former balance to the credit of surplus, and the net profit for the year, these three items being added in the accumulation column and extended in the regular balance sheet columns beneath the amount of the liabilities, in order to show the total net amount invested in the company?

MR. WRIGHT: I would like to take exception to a part of the paragraph that has been mentioned. He states "It is unusual for accountants to take inventories," and then implies that inventories are certified to as furnished and not verified. I want to raise the question of how far it is the duty of an accountant to ascertain that the inventories are at least reasonably correct. I have a special reason for bringing this up, because of an occurrence which happened in our territory where an accountant certified to a statement that was used by banks in loaning money and it was found out afterwards that the party was absolutely insolvent



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when the statement was made. Now, as I understand the case, it was that of a concern with a number of branch houses, which by setting up fictitious inventories as to the value of the assets of these branch houses, increased its assets, and the accountant certifying to a statement which included these fraudulent inventories—and which he, the accountant, could have, by very little investigation, ascertained were fraudulent—he showed the concern to be worth several hundred thousand dollars, when as an actual fact it was insolvent at the time. It seems to me that it is not sufficient for us as accountants to protect ourselves, by seeing that the inventories furnished by those employing us have been only footed and verified, but it is our duty to go further and satisfy ourselves that the inventories are reasonably correct, even if we have not taken them, and not certify to statements based on inventories unless the value that is given us is, we believe, approximately correct.

MR. RECKITT: Returning to the point raised by the last speaker, I believe there is a very interesting case settled in Great Britain on that point. The auditors had certified to a balance sheet, where, if the auditors had used ordinary care and common sense, they could have determined that the inventories must have been fraudulent. I believe that, outside of any large discrepancies which an auditor should certainly catch on to, he cannot be considered as negligent, if he accept the inventories as stated as to quantities, and if he protect himself by stating that the inventories were not taken under his supervision or direction.

Coming to the question of prices it is my opinion that the auditor cannot be considered responsible for the prices used, but he should state positively that he has made no examination of the prices, and that he is not therefore responsible; otherwise, I believe it is incumbent upon auditors to use every endeavor to see that the prices used have been conservative by learning the price paid for the raw material which has been purchased; by examination of the cost of goods in process, with the records of the cost department, and also the cost of the finished goods.

There is one other point in the paper that we have just listened to which I think demands some consideration, and that is the statement by the writer that reserves for depreciation should always be deducted from the corresponding assets. I believe that the very name "reserved for depreciation" shows that it is purely

reserve and that it is not indicative of absolute accuracy. Very often concerns will write it arbitrarily and credit themselves with depreciation—with amounts that we believe are excessive, and then to deduct those reserves from the corresponding assets will be to put the valuation of these fixed assets at a much smaller amount than ought to appear. The very name of reserve account shows that it is simply an attempt to arrive at what the depreciation may be, and I think the best practice is usually to put that item on the liability side of the statement.

MR. BROWN: Mr. Chairman, I don't know whether I am in order or not, as I am a guest of this Convention, being invited by a member of the New York State Society.

The question I am particularly interested in is simply this,—I have had charge of two or three businesses, wherein outside accountants were called in, but I speak specifically of a business several years ago, wherein, if the accountant had had to verify the inventories, it would have cost him more to verify them than his entire year's fee to audit our books, because it took the concern, for which that accountant did that particular class of business, from three to six weeks to take the inventory, and it had to be done by a process of addition and deductions. Now, I am interested in the one point,—as to the responsibility of the auditor to certify, and just how much responsibility he must assume. In other words, is it really in the province of an accountant to assume the responsibility for an inventory which may be taken and compiled by various clerks, sometimes a month prior to the accountant's coming in there to verify the books?

The reason I am asking for this information, is that in my career I will have occasion to confer with accountants from time to time, and I wish to know what their province is, whether he is obliged to certify as to the accuracy and correctness of the various clerical staff contained in that inventory.

MR. MACINNES: I think that a retainer is due to some gentleman of the legal profession to answer our friend. It is not a question the Court would pass upon lightly, as to how far an accountant should be held responsible, either for the quantity or for the prices applied to the inventory.

The question is wider than our doors, into which we admit only whom, directly or even remotely, should be with us. The question is so broad that, as I have already said, there is quite a



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good retainer coming to some one who will undertake to answer the questions, and lay down a dictum which after all would not be observed.

Now, Mr. President, I had the good fortune to receive a copy of the address or paper prepared by Mr. Roberts, and I am sorry that he was not present himself to deliver it, because it seems to me that we owe him a very hearty vote of thanks for the courage which he has shown in coming before us with a paper which has the title of, "The Proper Form of Balance Sheet." He has laid down some very definite decisions. He has even gone so far as to say, that the inventory must be taken at cost or market price, if that is less than cost.

There is nothing namby-pamby about Mr. Robert's paper. He has not hesitated to place himself squarely before us in regard to perhaps the most important problem that the accountant has to deal with. It is a problem that has formed a feature of many a discussion, has filled several volumes, and I presume it will continue to do so, but while we admire his courage, it doesn't necessarily follow that we coincide in his judgment; it doesn't necessarily follow that we say amen to all his conclusions. I do, however, feel and believe that some of his statements ought to be carefully considered and gone over. He opens by saying, "Good, conscientious, capable work will always be the foundation on which the Public Accountant must build his reputation and success if the structure is to be permanent."

It would be well if every man of us would carefully pay attention to the purpose of Mr. Roberts in seeking to impress upon us the importance of a lucid form or system of balance sheet.

He says again, "The demand for governmental supervision of corporations has grown out of this general feeling of helpless ignorance." Every one of us has, on various occasions, had unfortunately brought before us exhibits audited by accountants, which were so complex that even the best accountant among us would require to sit down and shut himself up in his office, and give careful, critical, analytical examination to the statement; even after that, they might not have anything like a clear conception of the status of the concern dealt with. And while it is true that we go over some exhibits bearing on that,—while that is true on the one hand, yet on the other hand, I cannot agree with Mr. Roberts that the balance sheet form, the balance sheet made

up by arraying opposites, cannot be accepted, and cannot be so prepared as to give clearer expression to the condition of the corporation or other concern with which it deals.

I do not think that it is necessary for us to depart from a well understood, very well understood, terminology. I do not think it is necessary for us to depart from a well established principle of arraying opposites,—in other words, in still continuing to use the balance sheet form.

I do not agree with Mr. Roberts when he says that we should be able to prepare a statement showing the status of a concern that would be understood by common people. Common people cannot be expected to understand a statement that may be dealing with millions of dollars,—dealing with them in such a way that the common people could hardly be expected to understand it; I am not saying this as an apology for the lack of expression on the part of many so-called balance sheets. While coinciding with Mr. Roberts, even while admiring his courage, and coinciding also with many of his statements, so far as my judgment goes, yet, on the other hand, I do not think it is wise to subscribe to all he has said, and as Mr. Dixcy has stated, it would be unwise if we accept this dictum in regard to inventories and balance sheets without any exception taken thereto.

Now, I feel that the manner in which Mr. Roberts would array the so-called assets of any concern in statement form, would not be any clearer or convey as good an idea at once, or as clear a knowledge of the status of the concern at a given time, as would a well organized and clearly expressed balance sheet, and to begin that, I do not believe in the principle of opening up either your balance sheet or your statement, with an asset that to-morrow may have vanished into thin air. (Applause.)

In the absence of Mr. Roberts, one has naturally to be somewhat delicate as to how we express our views regarding the paper of which he was the author, a paper which, as I have already said, I think a great deal of, and I would rather that he had been here, but I am sure that Mr. Roberts and his friends will not misunderstand any one of us when we seek to criticise his statement or conclusions.

Mr. Roberts says, among other things, "A great variety of arrangement is observed in published reports and accounting practice, but there are only two radically different methods in



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use." While I have found that there were many different methods in use, the only similarity that existed was in their very dissimilarity. I have seen methods, for instance, that were entirely different to the two referred to by Mr. Roberts; I have seen a method where the greatest weight was placed upon the alphabetical order of arrangement, which resulted in the most heterogeneous mass on both sides of the so-called balance sheet,—that arrangement is not referred to by Mr. Roberts, and yet I think it is quite radical enough to be referred to.

He says, "The form of statement desired by bankers, in which assets are listed in the order of liquidity, cash being first and fixed or capital assets last, with liabilities in a similar arrangement, has some adherents, but it may be noted that bankers do not themselves usually follow this order in their own statements which commonly begin with loans and discounts." He says, further, "There does not seem to be sufficient merit in the bankers' contention for the opposite arrangement, to justify a change from this usage now so well established, especially since it is as easy in a statement where fixed, deferred and current items are properly grouped, to compare liquid assets with current liabilities as in one where these are given first place. In the interest of uniformity, therefore, the order of fixity should certainly be made the professional standard."

Now, it seems to me, that this is where we join issue with Mr. Roberts, because the prime feature of a balance sheet should always be held in view. The balance sheet, by its very name, indicates that we are dealing with a going concern,—it isn't a statement of operation, it is a statement of conditions undoubtedly, it is a balance sheet which shows a statement of conditions, and should be made to show them so well that there could be no questions, not only as to what the status of the concern is, but as to its ability to meet current liabilities; as to its ability to deal with its stockholders, and to deal with its outside creditors; that, it seems to me, is the direct purpose of a balance sheet; it certainly is what the credit man wants; it undoubtedly is what the banker wants when the business man goes to him and asks for an extension of credit,—and if its ability to liquidate its assets is not the prime consideration, if it should not take the prior place and be arrayed with its opposing liabilities, as it were, in its current order, why then, it seems to me, that we have entirely over-

looked the prime principle of the balance sheet, which is not to tell the stockholders to what extent they could dispose of their holdings, while allowing for current interest, but is to show them to what extent it could meet current interests, and how it could meet them, and where they would be in the event of their being called upon to hurriedly meet some of their largest outstanding obligations, and therefore I am one of those who believe that the balance sheet should be so arranged as to oppose current assets with current liabilities, thereby showing us at a glance the condition of the firm; and a balance sheet, arranged in this way, would be somewhat like a double balance sheet, arrayed in such a way that we could see, at once,—perhaps the common man might not,—yet it could be so arrayed that the intelligent man could at least understand it. Now we are not interested in the common people,—we are interested in the intelligent man,—interested in showing to the prospective investing public,—and they are growing all the time, because as the corporations continue to grow, and they will undoubtedly so continue,—so the public accountant should be in the very front, and should be so expressing the results of his work, of his ability, as to be continually increasing and establishing the confidence of the prospective investing public. That, it seems to me, is one of the prime duties that involves upon us, and so I am one of those who believe that our arrangement of the balance sheet for a business organization has a greater potentiality perhaps than some of us have yet realized, and I don't think that Mr. Roberts' proposed substitute of a statement of conditions, with assets arrayed in the order in which he indicates, would be any improvement; on the contrary, I am inclined to think that it would be a step backward.

Taking up the bank statement, he says that while bankers require statements from their clients, showing the order of liquidity of assets, yet they, themselves, do not follow this order in their own statements which commonly begin with loans and discounts. Now, while it does not follow that we should be criticising the bankers,—or the bankers' system of balance sheets,—it seems to me that we should hesitate before we followed the banks, notwithstanding that they array, as Mr. Roberts has shown, their capital stock as first liability.

We find that their certificates of deposit are away down in the list, but we find also in the list of liabilities, amounting to



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fourteen subdivisions, that the individual deposits, subject to check, are tenth on the list, and they form nearly one-third of the entire liabilities; we also find, to begin with, that the capital stock paid in, and the surplus fund, is the first liability of the bank.

Now, it would take an accountant who has given some thought to technique, and has had some experience in preparing balance sheets dealing with banks,—it would take him some time to show just how a particular bank would stand, just how, for instance, it would be likely to meet some sudden call by its depositors, and it is not so very many years ago,—only two or three years,—since we were confronted with that condition, when a great many of those who arranged their balance sheets with a splendid array of real estate as first assets,—why they went crumbling down like a house of cards.

I don't wish to occupy the time of the Convention on this theme very much longer, but it seems to me that instead of following in the light which Mr. Roberts had indicated, of taking fixity of assets as a form of arrangement, that we ought to be laying the basis for a balance sheet so organized that it would ultimately be recognized by the several states, and to some extent embodied in the law. It may be a good thing that up to this point we have not had any legislation that would compel us to follow some standard form, because the profession has been in its infancy, but the profession is growing stronger all the time, it has ceased to be a child and become a lusty youth,—a young man,—and it is about time that we should give attention to what I believe is one of the most important subjects that could concern the accountant; that is, the order of arrangement or the organization of a balance sheet, a financial statement, a business statement, to the end that we might secure legislation which at any rate, while not laying down an absolute standard which we would be bound to follow, would at least outline the general form in which these balance sheets should be framed.

The subject of inventories, and the costs of inventories, and how inventories should be treated, has already been discussed, and it seems to me that as far as the accountant is concerned, we should not seek to avoid that meed of responsibility that should rest upon us in certifying to a balance sheet.

The inventory may be a very large element, very large percentage in a balance sheet, and I don't believe in any policy

which would indicate that the accountant should seek to avoid that meed of responsibility which in my judgment rests upon him.

I do not say that in an inventory there has got to be put every infinitesimal item, but he should take every step, every preceding step, that is necessary to establish the correctness of these inventories beyond doubt; or if there is anything fraudulent in the stating of the quantities, in the inventory, when it comes to test that inventory by process, the accountant will not have done his work thoroughly and well if he is not in position to determine whether the prices are reasonable, and prices which he could not uphold. That is my contention.

In conclusion, I just wish to say, that I wish to call attention to a form of balance sheet in which, without stating, of course, the name of the concern, is a condensed balance sheet, and this is the manner in which assets and liabilities are arranged, and this would indicate my own personal views as to how a balance sheet should be presented.

This balance sheet, presented to the bank, shows at once that it is certified to without any qualification, the certificate is clear and concise, and does not qualify, and places the accountant in a position where if subsequently anything follows, anything knowingly wrong, could be shown, he could not shield himself behind the certificate, because the certificate is unqualified. Now the banker, seeing this, finds that the current assets are more than twice the current liabilities, \$231,400; this gives him at once the amount; a further examination of this shows that the inventory consists of \$165,000, leaving \$66,000, of which \$45,000 was cash in bank, \$17,000 was bills receivable from customers, and the rest, \$3,400, was prepaid insurance amounting to \$63,000, supplemented by a schedule of bills payable showing current debts, etc. He is in position to determine very clearly as to whether there should be any further extension of credit.

Now going back again to the assets, we find investments of concerns, in securities outside of its own, to be \$55,000. Now, we take up the fixed assets, lands, building and plant equipment, these are condensed on the balance sheet, these three, lands, building and plant equipment,—the buildings having been submitted or subjected to appraisalment by those qualified to appraise both



## *The Proper Form of Balance Sheet*

land values in the particular place, and the values of the buildings, these having been submitted to an appraisalment, are set forth in the statement at \$264,000.

\* \* \* \* \*

This, of course, is merely a condensed balance sheet, and supported by one further amplified, this one being the one sent to stockholders.

I want to thank you, Mr. President and gentlemen, for your courteous attention, and to assure you that I did not intend to trespass so long on your time.

MR. KINGWILL: Mr. President and gentlemen, I had not expected to speak to-day, but there is one thing that has struck me very forcibly in this discussion, and has confirmed my idea of the loss sustained by the members of this Association who were not at the Denver meeting. One of the principal papers presented at Denver last year was by Mr. Mackenzie, of Oregon, on "Depreciation, Renewal and Replacement Accounts," and I think if the members who are interested would procure a copy of that from the pamphlets which were published, or the Year Book,—or I think it was also published in the current number of the *JOURNAL OF ACCOUNTANCY*,—they will find a good deal of information on that subject.

The remarks of Mr. MacInnes are very interesting, and very practical, and I find them largely in accordance with my own practice. The matter of responsibility for inventories, of course, has been largely covered. I only want to mention it as showing how the work of an accountant is now understood, in view of a case which occurred quite a number of years ago. A man who was well known in the country, and occupied a very high political position, was trying to reorganize a big manufacturing concern. He went to New York and took a balance sheet prepared by his bookkeeper but telegraphed back, "It won't do, it must show \$300,000 better." The bookkeeper promptly placed \$300,000 to the debit of "Inventory" and the credit of "Profit and Loss," and the deal went through. (Laughter.) It also went through the United States Courts, and I had the pleasure of listening to some of the testimony.

What occurs to me again, in considering the form of the balance sheet, is that we should bear in mind the purpose of the bal-

ance sheet. A great deal has been said about the use of the balance sheet, and one of its most obvious and necessary uses is in the matter of obtaining credit. But another use exists, and that is the kind of balance sheets which are principally prepared for publication; they are largely for the information, not of the creditors of the concern, or prospective creditors, but for the stockholders or prospective stockholders or bondholders of the concern.

What they want to know, especially in the case of concerns whose stock is on the market, is not whether the Pullman Palace Car Company can borrow readily \$100,000, with assurance of being able to pay it, or whether the United States Steel Corporation is able to borrow ten million dollars safely; what they want to know is where the money that has been invested in these business corporations has gone. That is the principal purpose of balance sheets of concerns like these, and in that case it strikes me that the form might well be constructed, or laid out, to give that information as the principal item.

Personally, I do not like the idea of considering the debit side of the balance sheet simply as a matter of assets, which to my mind are better covered under what is sometimes stated as current assets, or available assets. On the debit side of the balance sheets in these large concerns,—construction concerns like railroad companies, public utility companies,—the principal item showing is what the funds of the enterprise have been invested in, whether it has been for the benefit of the shareholders;—a great big item of debit is capital or permanent expenditures, and that is derived from the items shown on the other side which appear as the fixed capital, the capital shares, and the bonded debt, etc.; then the other items, that are usually comparatively insignificant in such concerns, should appear under the head of assets or available assets, and current and deferred liabilities, reserves, etc.

MR. SCOVELL: Is it not desirable to separate inventories and perhaps advanced expenses also from other current assets, so that the assets side of the balance sheet will include the following separate groups of items: current assets, inventories, investments and fixed assets? There is something to be said for making a separate group for advanced expenses or deferred charges to operation. I notice that Mr. MacInnes included the deferred charges among the current assets in the balance sheet which he presented, and I



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agree with this presentation of the matter, but I know that some accountants would not approve of this arrangement. On the other hand, inventories are not in every case current assets and as a general rule it seems to me much better to show them separately on the balance sheet.

All of this discussion is part of the general question as to how far we as accountants may defer to a client's wishes, and combine or rearrange items to suit his purpose. If the inventories in a given case are undeniably quick assets, of course there is no deception in including them under this caption in the balance sheet, or even in a condensed statement of "current assets" without further details. But such condensed balance sheets are open to criticism and sometimes to suspicion and accountants, I think, should urge their clients to make balance sheets that show the condition of the business as clearly as possible. Usually it will be a move in the direction to show inventories as a separate item.

MR. MACINNES: I wish merely to say that every cask must stand on its own bottom. In this particular case, the inventory of \$165,000, taken August 31st, had been entirely disposed of on October 6th, and if that wasn't a current asset, I do not know what would be. Of course, circumstances alter cases. I think it is barely possible to establish a standard to be used in every case; true in all business conditions under which the balance sheet is set up, they have to be considered in every case. I think when we get a report from the Committee on Terminology, we can determine that to a certain extent, but there has been no reply to the question asked by my friend on the left, I think from Missouri, in connection with the responsibility of the accountant in determining the accuracy of the inventory. I think that the accountant's responsibility is absolute for everything that appears over his signature, or under it. You may not yourselves hold yourself responsible, and may try to avoid it, the Courts may release you, but the most important fact is that your clients will not release you, and will cease to become your clients in case of serious errors of that character.

It seems impossible, inconceivable rather, that in the hands of competent men, that inventories inflated for the purpose of obtaining credit, fraudulent inventories, inventories inflated so much that an insolvent concern becomes solvent, that such fraudulent inventories could be placed upon books without attracting the

immediate attention of any accountant who is competent to examine the books. You cannot put an inflated inventory on your books without having, on the other hand, a corresponding debit,—exactly as was shown in the case of our friend who desired to borrow \$300,000, and credited it to profit and loss. The transaction became immediately apparent to any accountant, or would have become apparent if an examination had been made by a competent public accountant.

MR. WRIGHT: There seems to be some question among these gentlemen as to the usual form of balance sheet,—personally, I do not think I have made a statement in balance-sheet form for twenty years, except one that was to go to England, and then I had to make it to comply with their form on opposite sides to what we do in this country. I would like to know whether it is not practically the custom in the West to make our balance sheets in perpendicular form? The statements of banks are very often made in that form. Personally I do not think that the form makes any difference, except that I believe Mr. Roberts is right,—the common people, he means men of ordinary intelligence,—and I suppose he has reference to those who are not raised in Boston or New York,—as they, of course, would be different,—but the common business man West—in Missouri,—in our part of the country, does not understand a statement in balance sheet form, as easily as he does in the statement form. How many of those present are in the habit of making their statements in balance sheet form, or in the other way?

MR. WEYMAN: My practice has been to try to cover the accuracy of a statement by heading it, "trial balance statement," following entries of the books which I have closed. I think perhaps the difference we are all making between current and fixed liabilities is by using the column system of assets on the left and liabilities on the right, and in manufacturing corporations my habit is to start with real estate, to follow with machinery, giving the capital stock and mortgage debt, if any, opposite that, and then go on with investments, and then with cash receivable, and merchandise on hand, and on the other side, put the accounts payable, and then go down below all that, and put reserve for depreciation,—if you have one,—and surplus,—if you have one,—and below all profit and loss, and I think, perhaps that the gentlemen who could not understand this arrangement would not



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be able to do the additions and subtractions that would appear there.

MR. TURNER: In Kentucky, in preparing our statements we have followed Mr. MacInnes's form, with the exception that we show the present worth, then give the capitalization, surplus, undivided profits and unpaid dividends. Of course, in bank work we observe the bank form, for the reason that in bank statements our people look for the capital stock the first thing. We further prepare all our statements in "Statement Form," instead of balance sheet, for the reason that we find the statement more easily understood, therefore agreeing with the gentleman from Missouri. In the South, a majority of our clients do not understand bookkeeping; hence a statement form is considered best.

MR. HALL: As it seems to be the desire to hear from most of us, I would like to state that so far as my experience and practice go, I believe in the statement of conditions as it has been described by the gentleman from Missouri. I believe that generally speaking the parties who don't understand accounting or bookkeeping can more readily understand the situation if it is put before them in that form, that is, state the assets as they are, and show the total, then state the liability,—what I mean by that is the liability as regards creditors,—and then show the balance that will result therefrom, and I believe that most people, most business men, would be better satisfied with a statement of that kind than the two sided balance sheet.

MR. THOMAS: I am not going to take up your time, but some gentleman asked for enlightenment from the younger members of the Association, and I come in that class. (Laughter.) I want to say that in my experience I have used both forms, but for the ordinary man of business, I make a statement, up and down, of the financial condition. But in many larger businesses, or railroad accounts, I use the old form of balance sheet, with the current liabilities on one side and the current assets on the other. I use that, and then put numbers alongside each item, and follow that with a detailed statement, giving fuller information. Now, I think it depends altogether upon the class of business and the class of men you are dealing with, as to whether you use the old form balance sheet or not. I use both kinds for different kinds of people.

MR. SCOVELL: With reference to the past three speakers' remarks, where do we come out when we ask candidates for C. P. A. certificates to distinguish between a balance sheet and a statement of affairs? What would the candidates say, if they heard the discussion this afternoon, and the opinions given by some of the members that the balance sheet form is not desirable for a going business, but rather some "statement of business condition" easily confused with a form we ought to use for special cases only, where the business is or may be about to wind up.

THE PRESIDENT: Is there any further discussion on this paper?

MR. BALLINGALL: I move that a vote of thanks be extended to Mr. Roberts for the paper which he prepared for our consideration this afternoon.

The motion was carried.

THE PRESIDENT: The Secretary will transmit the vote of thanks to Mr. Roberts.



# Municipal Accounts

BY RICHARD M. CHAPMAN, C.P.A.

Your Committee on Arrangement has extended to me the privilege of addressing you on the subject of "Municipal Accounts," and I fully appreciate the distinguished consideration which prompted so gracious an invitation.

The subject selected was no doubt assigned to me because of my service during the last twelve years with the Department of Finance of this City, and the belief that my work in connection with its accounts, my attendance as delegate to the Washington Conferences called by the Bureau of the Census to consider the subjects of wealth, debt and taxation, as well as my participation in the annual conventions of the National Association of Controllers and Accounting Officers, have afforded me ample opportunity to observe and reflect, and thereupon qualify to offer some original thoughts anent municipal accounts.

We of course understand that the subject is too large a one to more than touch upon in the compass of one address, and much might be said which, although true and instructive, would be neither interesting nor pertinent on an occasion of this kind. I accordingly will confine my remarks to such broad principles as possess a native interest and can be communicated better by words than by figures, directing what I shall have to say more to argument than to demonstration, and endeavor to approach the theme in a manner that will entertain as well as convey some few thoughts worth carrying away and remembering.

The accounts of municipalities may fairly be regarded as forming a class by themselves, and apart from the employment of double entry for the purpose of accounting control, they possess little in common with private or industrial records.

The considerations of capital and revenue which characterize the accounts of all private undertakings are conspicuously absent in the accounts of cities, and in fact in all public accounts whether national, state, county, borough or village; and accordingly neither the balance sheet as commercially understood, nor its

inseparable companion, the profit and loss account, find any place in the reports of public finance. It is true that balance sheets and accompanying surplus accounts have been uttered and exploited in a few isolated instances; but the interpretation and expression of premises thereby adopted has either been so distorted and remote from facts as to be little more than grotesque; or the purpose of the statement has been so different from the idea that commonly attaches to business and financial statements reflecting operation and status as to constitute the employment of such titles quite arbitrary and exceptional.

As has repeatedly been urged by accountants who recognize the danger latent in any attempt to confuse the genius of private and public accounts, the purposes underlying each respectively are so dissimilar as to present in the main diametric distinctions; for while private accounts chronicle primarily the investment of private capital for gain, and secondarily the subsequent employment thereof in realizing such dominating motive, public accounts on the contrary deal primarily with the expenditure of public moneys for the government, protection and convenience of the commonwealth, and secondarily with the raising of just sufficient funds to fulfil such purpose.

It accordingly follows that while private accounts are conducted for the purpose of reflecting the waxing or waning of the principal or estate, the operating results contributing thereto, and the disposition of current earnings by way of division among owners or increase of capital, public accounts are operated only to vouchsafe that all public moneys raised and expended have been legally received and paid for the ostensible purpose in an orderly and economical manner.

The principal characteristics of municipal or other public accounts is that they relate almost exclusively to the provision of credit and the employment thereof in the accomplishment of numerous and varied specific public purposes; for each of which purposes a fund is created in a stated sum, from which the necessary payments can legally be made.

The accounts of these funds are complementary and contra to the treasury; which, conducted in the name of the chamberlain, treasurer, or other fiduciary officer, corresponds to the cash account of a private business, which latter term I shall hereafter use for brevity and distinction.



## *Municipal Accounts*

There are only two ways in which a fund after being authorized is ordinarily created upon the city books:

(1) By a charge to cash and credit to the fund, as in the case of an actual treasury receipt from sale of bonds or collection of revenue under special provision or pledge, and

(2) By the charge to an accruing nominal account registering an authorized levy of a tax or other impost, and a credit to the fund as in the case of an annual budget appropriation, or of an assessment levied for a local improvement.

In the first instance the fund measures an addition currently made to the sum of money in the treasury, and in the second instance an addition to be made thereafter by the collection of said tax, assessment, or other accrual; while in each instance the creation or increase of any stated fund provides a letter of credit against which expenditures out of the treasury for a corresponding purpose may be charged.

The cash account accordingly consists of primary debits or charges to the chamberlain or other custodian of all moneys received into the treasury, contra to funds created or accruals liquidated, and of subsequent credits for payments made therefrom in clearing warrants drawn against established funds; while each fund account consists of a primary credit provided for a particular purpose, and all subsequent charges against said credit, as warrants are drawn and registered, for the fulfilling of the purpose stated.

A credit balance in a fund consequently signifies a credit against which further drafts may be drawn for the purpose specified in the title of the account. Or, if the purpose has been accomplished and no further drafts are to be made, it signifies a surplus available for some purpose other than that contemplated when the original provision was made.

On the other hand, if there be a debit balance it signifies the expenditure of more money than has been duly authorized and provided for, and the consequent necessity of making further provision by transfer or otherwise to cover the deficiency.

I have made the foregoing statement of obvious fact for the purpose of justifying the definition now offered of a fund account as distinguished from a cash account; viz.: a fund account

is created or provided for a specific purpose indicated by the title thereof, against which expenditures necessary to the fulfilling of said purpose may legally be charged to the amount of the credit provided therefor.

It is immaterial whether the fund be contra to the general treasury, or to sinking fund moneys; whether it be for current expenses, or public improvements, or for redemption of debt, or whether it be created by budget appropriation, sale of corporate bonds, pledges of rents, fees or other income, or revenue of the sinking fund holdings: all alike will be charges to cash or accruals, and credits to constituted funds, which latter in turn are chargeable currently with corresponding outlay as claims are severally audited and paid in conformity with authorized purposes.

It therefore follows that when the purpose for which a fund has been provided has been accomplished, and any deficiency has been made good, or any surplus has been applied to other purposes, that the fund account will automatically close, whether it chronicle the payment of police salaries, for any particular year, the purchase of new ambulances for hospitals, or the building of a subway or bridge taking ten years to complete: and should it be necessary at any subsequent time to make inquiry concerning the salaries paid during said year, or concerning the cost of the ambulances, or of the bridge or subway, the facts are all on record in the respective fund accounts of the year or years during which the expenditures were made.

In this connection I would state that at all times and in all places of public accounting the fund accounts relating to the construction of permanent public works have closed just as absolutely and permanently as funds relating to current administrative expenses; as the sum of the outlay for the one possesses in the future no more significance than the sum disbursed for the other. In both instances the limit of expenditure was determined and fixed beforehand, and the only concern which attaches to the possession of a working property or permanent facility by the city is the maintenance of its serviceability; for upon the completion of the work and the expenditure of the fund provided therefor, all need of accounting for its initial cost, ceases; the incident is closed, and every interest concerned is satisfied.

In every instance where the settlement of claims is limited to the collection of specific moneys, as where the city undertakes to



liquidate a specific debt, or discharge a specific trust out of specific revenues without assuming the obligation, or where the collection of assessments for the payment of principal and interest on assessment bonds renders it advisable to identify receipts and payments relating to the same purpose, it is readily done by the introduction of suitable intermediate accounts, without in any way departing from the established plan or nomenclature, because the revenues and expenditures are in every such instance clearly and specifically related and identified.

In the main, however, the classification of the city's current resources in cash and receivable accounts and the classification of the purposes of expenditure under the titles of the several funds, while producing equally balancing aggregate sums, present in each particular entirely different and independent composition.

A great deal of stress has recently been laid upon the importance of a system of revenue and expense accounts for cities as distinct from the cash system which centers in the control and reporting of receipts and payments; as if the revenues and expenses of a city could possibly differ, or show a result of profit and loss in any justifiable accounting sense! The city first determines by procedure laid down in its charter what its expenses for current needs shall be; deducts therefrom its available revenues from sources other than imposts, and levies taxes for the balance; so that its revenues and expenses for all current purposes are not only equalized but approximately determined in advance both of the receipt of the one and the payment of the other. To the extent that the city makes provision for the comfort and pleasure of the future generations, it raises money therefor by the issue of corporate bonds which future generations must arrange to pay for, just as the present generation is discharging the debt incurred by its forefathers, restricted however at all times to the limitation of debt in a stated percentage of taxable wealth.

As the city's expenses therefore determine its revenues, and the two are necessarily equalized, the extent that revenues are realized and that expenses are paid, or in other words the receipts and payments during each given year constitute the primary subject of accounting so far as results are concerned, and the revenues and expenses and relatively the accruals and funds for each year or for each undertaking must necessarily liquidate and

close when all revenue provided has been realized and all obligations incurred have been discharged.

The balances normally appearing upon a city's general ledger, at any time, reflect but four general subjects, two debtor and two creditor, viz.:

- (1) Cash in treasury;
- (2) Aggregate Revenues collectable;
- (3) Unexpended balance of funds; and
- (4) Unpaid Warrants.

It will be seen that all of the above relates to the cash action and apart from inter se adjustments are to be liquidated by either cash receipts or disbursements, and the introduction of any other subject into the general ledger must provide its own independent counterbalancing element.

The most conspicuous subject coming without the circle just stated, is the principal of the city debt wherein we have on one side the total sum of bonds outstanding, and on the other side the specific component loans, both of which sides simultaneously increase with each new loan issued and decrease with each loan redeemed.

In the same manner complete sets of complementary auxiliary accounts may be conducted for dealing with any subject that justifies a record, and accounts dealing with the related revenues and expenses of specific public utilities or with the cumulative cost value of parks, streets, buildings, bridges and sewers, could in like manner be made the subject of auxiliary accounts producing independent trial balances, and reflected either in a general ledger or in separate books. But whether or not and to what extent they are made the subjects of supplementary processes, they form no part of the essential or trunk principal of municipal accounts which relate exclusively to the city's cash resources and the related funds against which its authorized expenditures are charged.

The accounts of a municipality comprehend primarily three distinct circles of action, viz.:

- (1) The City Treasury, embracing the cash accruals and related funds collectively constituting the general account.



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(2) The principal of the City Debt relating exclusively to bond obligations, both collectively and severally.

(3) The Sinking Fund, dealing with the cash investments, revenues and redemptions incidental to the provisions for amortizing the city's funded debt.

The public moneys in the several designated depositories are accordingly divided between the City Treasury and the Sinking Fund, both of which divisions originate and remain absolutely as separately conducted bank accounts with no receipts and payments in common.

The numerous funds comprehended within the first circle of action fall under four general heads, namely:

(1) Appropriation funds, created by Annual Budget and tax levy to meet current administrative and operating expenses.

(2) Special revenue bond funds, created by sale of short time bonds redeemable out of succeeding years' tax levies to meet emergency expenses not anticipated in the Annual Budget, and thereby occasioning appropriation deficiencies.

(3) Corporate stock bonds, created by issue of long term bonds to meet the cost of permanent improvements, extensions and developments of those public facilities essential to health, safety, transportation and general convenience.

(4) Special and Trust Funds created by special revenues pledged to specific purposes, or receipts in trust, and subject to the innumerable fiduciary functions which the city undertakes to perform in the capacity of trustee.

The primary objects of the Annual Budget are to determine and provide the funds for the operating expenses of each city department, and at the same time to limit the expenditure thereof in the departments in the same prescribed sum or amount, and so exercise control over the total governmental expenditures of the city by restricting each department at the outset to a predetermined and stated annual credit.

In order that the underlying purpose of the control so exercised may be realized to the fullest practical extent, not only are the contemplated expenditures of each department (regarded as

a general function) measured and fixed; but also the expenditures of those several bureaus or divisions where such exist and for the specific purposes (regarded as subordinate functions) which each undertakes to fulfill, are in like manner established and made the subject of stated credits collectively constituting the total sum available for the department as a whole; and while the sum total may under no circumstances be exceeded, the component or sub credits possess generally a limited elasticity through permission granted by a properly constituted governing board to make transfers from one sub credit to another within the same department upon proof of the inadequacy of one credit and over provision of another; and that such transfer is proper and advisable.

The principle, however, that such sub credit provided for a specific subordinate function must be expended solely for such purpose, remains unchanged, and theoretically is as absolute as the exactions which attach to the application of the total departmental appropriation.

As each city department and each division or bureau thereof is engaged in activities dissimilar from all others, and so fulfills functions peculiar to itself, and as budget control to be effective must relate each credit to the specific purpose to be accomplished or thing to be done, and so follow functional lines, the departmental estimates and related appropriation accounts applicable to each of such departments, boroughs and divisions must necessarily be stated under titles characteristic of the functional activities, and so differ in each instance.

On the other hand, no matter what peculiar service or undertaking may distinguish a department or subdivision thereof, the expenditures regarded according to their character instead of purpose will fall under one or more of the few general headings common to all departments, such as salaries, wages, materials, supplies, equipments, etc., and in this respect the administrative control exercised by means of distinguishing between different expenses instead of functions, may be stated under titles characteristic of the few possible subjects of expenditure applicable to all departments alike.

While therefore the title of accounts operated for the purpose of exercising budgetary control will be as numerous, varied and peculiar to each department as the separate governmental func-



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tions comprehended within their several and collective activities, the titles of accounts that may be operated in the departments for the purposes of administrative control upon expense lines will be comparatively few in number, and not peculiar to any one particular department more than to another.

In establishing therefore the total sum required to perform each separate function, each of said sums may be deduced and justified by its subdivision, according to the character and amount of each element of expense, as salaries, wages, materials, equipments, etc., by which the degree of economy exercised in the performance of each function may be apprehended, approved and criticised by the Board granting the appropriation.

A Budget—when made up from departmental estimates submitted upon the lines just described, and the appropriation accounts opened in conformity therewith—absolutely establishes and limits the credit applicable to each actual governmental purpose under significant titles clearly reflecting the character of the function, and if in conformity with the nomenclature and sequence, by and under which such functions are recognized, grouped and related in the advanced schemes of Municipal Accounting and reporting, leaves little to be desired, and goes a long way towards realizing the possibility of comparable statistics—the goal of all advocates of uniform municipal accounting.

The Sinking Fund of a city is a contract entered into with purchasers and holders of all long-term bonds redeemable by Sinking Fund provision, and the annual instalments and pledged revenues stipulated in the scheme of accumulation to amortize or secure the redemption of said loan, obtains as an immutable agreement until the last bond issued under the provisions of said sinking fund matures and is paid.

The City may operate two or more sinking funds simultaneously, each related exclusively to a distinct class of bonds issued thereunder; as for instance, sinking fund for the redemption of Water Bonds, or sinking fund for the redemption of Bridge Bonds, or any other specific class or series of loans, for the redemption of which particular revenues may have been pledged; which in each instance will form as distinct a contract and apply as exclusively to its related loan, as if it were a business of a different municipality.

On the other hand, the City may establish a perpetual Sink-

ing Fund for the redemption of all loans contracted after a stated date, and provide for instalments measured to the precise requirements, to be levied and paid into the Fund annually. But specific revenues pledged to secure specific loans obviously cannot be applied to the redemption of other loans, until the last bond, for the redemption of which they were originally pledged, has been paid. After the termination of any special sinking fund, consequent upon the redemption of the loan which is thereby secured, the revenues that have been pledged thereto, being again free for other application, may again be pledged to another sinking fund and operate to reduce the annual instalments therefor raised by taxation.

The Sinking Fund accumulations are invested in City Bonds, interest from which constitutes a principal item of sinking fund revenue. The Commissioners of the Sinking Fund are accordingly extensive buyers of short term loans, i. e., special revenue bonds, and so obviate the necessity of public sale at frequent intervals and in small amounts, as money is needed by the City Treasury. They also purchase long-term bonds to the extent that their free cash is available therefor, especially when market conditions are unfavorable to public sale; and through such a continual purchase of City obligations the Sinking Fund accumulations are continually available for general City purposes, without in any way imperiling the implied trust. All sales of the Sinking Fund City Bonds are at par.

THE PRESIDENT: We are certainly obliged to Mr. Chapman for his paper, and I am quite sure that the Association will be glad to hear from Mr. Chase, who has given so much time and thought to the consideration of this subject.

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## BUDGETS AND BALANCE SHEETS

*The Practical Application of Sound Accounting Principles and Methods to Municipal Bookkeeping*

BY HARVEY S. CHASE, C.P.A., BOSTON, MASS.

Opening the discussion upon a paper entitled "Municipal Accounts," by Richard M. Chapman, C.P.A., of New York City, before the annual meeting of the American Association of Public Accountants, at Hotel Astor, New York, October 20, 1910.



## *Municipal Accounts*

In order to illustrate some of the points which I desire to discuss in Mr. Chapman's paper, I have prepared a number of schedules which have been drawn on a large scale, so that they may be seen by the members of the Association from their seats, and, if you will permit me, after a few general remarks I will take up these schedules one by one and explain what I have in mind as fully as possible by means of them.

In the first place, we should acknowledge our debt of gratitude to Mr. Chapman for the care and thoroughness with which he has gone into various phases of municipal accounts in his paper. I must say at the outset that with many of his conclusions I am in hearty accord. There are, however, a few deductions to which it may be advisable to give consideration and to set up as fairly as possible the arguments on the other side. In order to be brief I will take up these points in the order in which Mr. Chapman touches upon them. Mr. Chapman states: "The considerations of 'Capital' and 'Revenue' which characterize the accounts of all private undertakings are conspicuously absent in the accounts of cities, and, in fact, in all public accounts, and accordingly neither the 'Balance Sheet,' as commercially understood, nor its inseparable companion, the 'Profit and Loss' account, find any place in the reports of public finances." Mr. Chapman has set forth his views explicitly, and if he has in mind what I think he has, I should not quarrel with his statement, although I think something more should be said.

My experience among cities, both large and small, in various parts of the United States during the last fifteen years has led me to certain conclusions from which I find myself unable to escape, and one of these conclusions bears very closely upon this matter of "Capital" and "Revenue" in municipal accounts. In fact, it appears to me that we *do* have and must necessarily have in city affairs the same distinctions in classes of accounts which are represented by the titles "Capital" and "Revenue" in commercial affairs. It will be found impracticable to install sound accounting methods in municipalities, in my opinion, unless these distinctions are recognized, whatever be the titles given to these different classes of accounts. The word "Capital" is not a satisfactory term to apply to municipal accounts. For this reason I have coined and used the word "Non-revenue." The term

"Revenue," however, and "Revenue Account," used in very much the same sense as a "Profit and Loss" account is used in commercial affairs, is one of the most essential features of a proper installation of sound methods of accounting in cities. Of this I am fully convinced, and for this reason:—While, as the authority I have quoted says, "The question of 'Gain' or 'Profit' finds no proper place in municipal accounts," the question of *Surplus* or *Deficiency* of revenue is an exceedingly important item in such accounts. This question—whether or not the revenue pertaining to a fiscal period is in excess of the expenditure which that revenue is supposed to meet—is one of the fundamental questions which a proper system of accounts in a municipality should exhibit, and should exhibit so clearly as to be without question. The corollary of this statement is evident. If the current revenue has not provided for the current running expenses of the city, then borrowed money must be used to supply this deficiency, and such borrowed money can be liquidated only out of future revenues. Thereby such deficiencies of the present become unwarrantable burdens upon the tax-payers of the future. I have examined city after city in which, owing to the crude methods of accounting in vogue, the municipal officers year after year permitted the expenditures to exceed the revenues available, and thereby municipal debts have piled up. These debts, being complicated by and mixed with other debts which have been issued for public improvements and similar purposes, have been almost inextricably confused in the accounts, and it has been beyond the capacity of the officers to determine whether, or by how much, the city was running behindhand annually. In fact, as may be readily imagined, a considerable number of municipal office-holders do not sincerely desire that the public shall know how much to the bad their expenditure is carrying the city. They prefer that the finances of the city should run along as best they may until their own terms of office have expired. "After us, the deluge," is too frequently the motto of political office-holders.

Even if these officials are honest, and do desire to exhibit the actual conditions to the public, they find themselves handicapped by unsound methods of accounting based on mere cash accounts, which, under provisions of law, are the prevailing methods of accounting in municipalities to-day.



## *Municipal Accounts*

With laws and legal requirements we must of course comply, but, wherever these requirements are not in accord with sound accounting principles, it is evident to us, as professional accountants, that in due time these laws must be changed. We should look at these matters from a point of view which will give us a broad survey of the whole field of municipal necessities. Laws are by no means perfect, and they are especially deficient along accounting lines for the reason that in general laws are drawn and are amended by members of the legal profession who, as a rule, have little knowledge of and less patience with accounting requirements. We cannot avoid recognizing the fact that, as accountants, we must insist—always, of course, with tact and patience—and must continuously insist that the laws shall recognize accounting requirements and that from time to time the statutes must be changed by amendment and repeal until sound accounting principles shall be matters of law as well as matters of necessary business procedure.

My experience in city after city has led me step by step to conclusions which I am endeavoring to place before you to-day, and, in order that we may start properly and that you may get a correct understanding as to what I mean by "Revenue" accounts and their application in municipal bookkeeping, I will now refer to the large charts here upon the wall.

### EXPLANATION OF CHARTS

These charts have been prepared for the purpose of illustrating on a scale comparable with the revenue expenditures of a city like New York the entries necessary to establish proper methods of revenue accounting in the books. In order not to complicate the matter, which is sufficiently complicated at best, only those entries have been illustrated which are fundamentally necessary in order to establish the simplest form of a monthly balance sheet. The amounts set forth on the charts correspond closely enough to the actual expenditures of the city of New York in a recent fiscal year, but no emphasis whatever should be laid upon these figures or any of them. I wish to lay stress solely upon the form and the methods of making the entries and the corresponding ledger accounts which are thereby set up in books

and which give automatically a correct balance sheet at the end of each fiscal period simply by taking off a trial balance of the general ledger.

*Schedule 1* is a title-page merely.

*Schedule 2* exhibits a journal entry debiting "Revenue Account 1910" and crediting "Appropriations Account 1910" with \$130,000,000.00, representing the expenditures authorized to be made from taxes and all other revenues during the fiscal year. This journal entry is given in detail under the standard classification established by the Bureau of the Census, and applied by it to the annual reports of all cities throughout the country as published in the Census bulletins. These detailed appropriations will be set up in a subsidiary ledger—appropriation ledger; and this subsidiary ledger will be controlled by the "Appropriations 1910 Account" in the general ledger.



# Municipal Accounts

## SCHEDULE 2

### Journal

JANUARY 1, 1910

Annual budget for the year 1910. Estimated by the Board of Estimate and Apportionment and passed by the Board of Aldermen. Required to pay the expenses of conducting the public business for the ensuing year.

Revenue Account 1910.....	\$130,000,000.00	
To Appropriations 1910, viz.:		
General Government:		
Mayoralty.....		\$75,000.00
Board of Aldermen and City Clerk.....		240,000.00
Department of Finance.....		1,300,000.00
Etc., etc.....		200,000.00
Protection of Life and Property:		
Police Department.....		15,000,000.00
Fire Department.....		7,200,000.00
Etc., etc.....		2,500,000.00
Health and Sanitation:		
Department of Health.....		2,100,000.00
Etc., etc.....		1,200,000.00
Department of Street Cleaning.....		6,900,000.00
Bureau of Sewers.....		150,000.00
Etc., etc.....		500,000.00
Highways:		
Department of Bridges.....		600,000.00
Bureau of Highways.....		650,000.00
Etc., etc.....		2,300,000.00
Charities and Corrections:		
Charitable Institutions.....		4,000,000.00
Department of Public Charities.....		2,400,000.00
Department of Correction.....		1,300,000.00
Etc., etc.....		2,000,000.00
Education:		
Department of Education.....		30,000,000.00
College of the City of New York.....		500,000.00
Etc., etc.....		750,000.00
Recreation:		
Department of Parks.....		3,000,000.00
Etc., etc.....		400,000.00
Miscellaneous:		
Etc., etc.....		935,000.00
Municipal Industries:		
Department of Water Supply, Gas, and Electricity.....		6,000,000.00
Municipal Indebtedness:		
Interest on the City Debt.....		23,000,000.00
Redemption of the City Debt....		9,000,000.00
Instalment Payable.....		5,800,000.00
		<b>\$130,000,000.00</b>

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SCHEDULE 3

*General Ledger*

REVENUE ACCOUNT 1910

1910 Jan. 1	To Appropriations 1910	J	\$130,000,000.00				
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APPROPRIATIONS, 1910

				1910 Jan. 1	Appropriations for the year	J	\$130,000,000.00
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*Appropriations Ledger*  
(Subsidiary)

MAYORALTY (as illustration)

				1910 Jan. 1	Appropriation	J	\$75,000.00
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*Schedule 2.* Illustration of entries at beginning of the fiscal year of a municipality.

*Schedule 3.* The accounts in the general ledger are exhibited after the journal entry on schedule 2 has been posted. There is also given as an illustration of the subsidiary "appropriations" ledger one account—Mayoralty.

SCHEDULE 4

*Journal*

CREDIT TO REVENUE FROM TAX LEVY AND OTHER RECEIPTS TO BE COLLECTED

Tax Levy of 1910.....	\$110,250,000.00	
Estimated other Revenue.....	30,000,000.00	
To Revenue Account 1910.....		\$135,000,000.00
To Reserve for Abatements (overlay).		5,250,000.00

*Schedule 4* exhibits a journal entry establishing the credit to "Revenue Account 1910" and setting up on the other side as an



## Municipal Accounts

asset the tax levy of 1910 and the "estimated other revenue" as established by the budget-making body. There is further established by credit entry a "reserve for abatements" account. A reserve account of this nature is fundamentally necessary in municipal book-keeping, in order that provision may be made for abatements of taxes and other losses of taxes which always occur in municipal finance. If such abatements and losses are not properly provided for by the tax levy itself, they must be made up by additional borrowings which will become burdens upon the revenues and tax-payers of the future.

### SCHEDULE 5

#### General Ledger

#### TAX LEVY OF 1910

1910 Jan. 1	Tax Levy of 1910	J	\$110,250,000.00			
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#### ESTIMATED OTHER REVENUE 1910

1910 Jan. 1		J	\$30,000,000.00			
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#### REVENUE ACCOUNT 1910

1910 Jan. 1	To Appropriations 1910	J	\$130,000,000.00	1910 Jan. 1	Taxes Levied Estimated Other Revenue }	J	\$105,000,000.00 30,000,000.00
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#### RESERVE FOR ABATEMENTS (overlay)

				1910 Jan. 1	Taxes Levied	J	\$5,250,000.00
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*Schedule 5* shows the condition of the general ledger accounts after this journal entry. It will be noted that the "Revenue Account 1910" now stands with a credit balance of \$5,000,000.00.

SCHEDULE 6

*January 31, 1910*

MONTHLY WARRANTS FOR THE EXPENDITURES OF CURRENT MONTH

Appropriations, viz.:	
General Government:	
Mayoralty Appropriations . . . . .	\$8,398.42
Board of Aldermen and City Clerk. . . . .	19,457.39
Department of Finance . . . . .	140,023.17
Etc., etc. . . . .	12,452.72
Protection of Life and Property:	
Police Department. . . . .	1,182,933.75
Fire Department. . . . .	794,110.98
Etc., etc. . . . .	23,182.72
Health and Sanitation:	
Department of Health . . . . .	183,731.44
Etc., etc. . . . .	43,079.21
Department of Street Cleaning. . . . .	508,499.62
Bureau of Sewers . . . . .	12,402.71
Etc., etc. . . . .	9,664.37
Highways:	
Department of Bridges . . . . .	46,982.42
Bureau of Highways . . . . .	49,484.11
Etc., etc. . . . .	17,015.48
Charities and Corrections:	
Charitable Institutions . . . . .	518,972.48
Department of Public Charities . . . . .	287,441.82
Department of Correction. . . . .	145,732.45
Etc., etc. . . . .	18,941.63
Education:	
Department of Education . . . . .	2,893,487.32
College of the City of New York. . . . .	42,347.84
Etc., etc. . . . .	39,745.29
Recreation:	
Department of Parks . . . . .	306,721.42
Etc., etc. . . . .	16,237.87
Municipal Industries:	
Department of Water Supply, Gas, and Electricity . . . . .	482,732.14
Etc., etc. . . . .	29,205.99
Municipal Indebtedness:	
Interest on the City Debt . . . . .	2,434,182.18
Redemption of the City Debt . . . . .	742,842.83
Instalment Payable . . . . .	400,000.00
Etc., etc. . . . .	14,102.05
	\$11,424,111.82
To Audited Vouchers Payable (or Warrants Registered) . . . . .	\$11,424,111.82



# Municipal Accounts

## SCHEDULE 7

### General Ledger

#### APPROPRIATIONS

1910	Warrant for January	\$11,424,111.82	1910	Appropriations for year	\$130,000,000.00
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#### AUDITED VOUCHERS PAYABLE (OR WARRANTS REGISTERED)

			1910	January Warrant	\$11,424,111.82
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### Appropriations Ledger

#### MAYORALTY

1910	Warrant for January Balance	\$8,398.42 66,601.58 \$75,000.00	1910	Appropriation  Balance	\$75,000.00 \$75,000.00 \$66,601.58
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*Schedule 6* exhibits a monthly warrant for the expenditures under all of the appropriations from revenue. The total amount is charged to "Appropriations Account 1910" and credited to "Audited Vouchers Payable" or to "Warrants Registered," or whatever the title of the liability account may be.

*Schedule 7* shows once more the condition of the general ledger accounts after this entry.

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SCHEDULE 8

*Journal*

CASH RECEIPTS FOR MONTH

Cash.....	\$18,762,491.31	
To Tax Levy 1910.....		\$18,762,491.31
Collections of Taxes.....		
<hr/>		
Cash.....	\$2,489,472.28	
To Estimated other Revenue.....		\$2,489,472.28
Collections of Other Revenue.....		
<hr/>		
Audited Vouchers Payable.....	\$9,887,065.72	
To Cash.....		\$9,887,065.72
Payments of Warrants, or Audited Bills and Pay-rolls.....		
<hr/>		
Reserve for Abatements (overlay).....	\$896,743.21	
To Tax Levy 1910.....		\$896,743.21
Taxes Abated.....		

*Schedule 8.* A series of journal entries relating to cash. For simplicity these entries are made by the journal instead of being entered, as they would in practice, through the cash book directly. Cash is charged with collections on account of tax levy and is also charged with collections on account of other revenues (licenses, fees, etc., etc.). Again, for simplicity, no cash balance at the beginning of the period is set up in these accounts, although of course there would be, naturally, various classes of cash balances at the beginning of the period.

On schedule 8 also "Audited Vouchers Payable" account is charged and cash is credited with the actual payments of warrants or bills and pay-rolls made by the treasurer's or chamberlain's office during the month. Further, we suppose that various taxes have been abated, and "Reserve for Abatements" is charged, and the tax levy credited with those items which have been allowed by the proper officers in accordance with the requirements of law.

*Schedule 9* sets forth the condition of the ledger accounts after these entries have been made.



# Municipal Accounts

## SCHEDULE 9

### General Ledger

#### CASH

Receipts	\$18,762,491.31	Payments	\$9,887,065.72
"	2,489,472.28	Balance	11,364,897.87
	<u>\$21,251,963.59</u>		<u>\$21,251,963.59</u>
Balance	<u>\$11,364,897.87</u>		

#### VOUCHERS PAYABLE

Cash	\$9,887,065.72	January	
Balance	1,537,046.10	Warrant	\$11,424,111.82
	<u>\$11,424,111.82</u>		<u>\$11,424,111.82</u>
		Balance	<u>\$1,537,046.10</u>

#### TAX LEVY 1910

Tax Levy 1910	\$110,250,000.00	Cash	\$18,762,491.31
		Abatements	896,743.21
		Balance	90,590,765.48
	<u>\$110,250,000.00</u>		<u>\$110,250,000.00</u>
Balance	<u>\$90,590,765.48</u>		

#### ESTIMATED OTHER REVENUE

	\$30,000,000.00	Cash	\$2,489,472.28
		Balance	27,510,527.72
	<u>\$30,000,000.00</u>		<u>\$30,000,000.00</u>
Balance	<u>\$27,510,527.72</u>		

#### RESERVE FOR ABATEMENTS (overlays)

Abatements	\$896,743.21	Tax Levy	\$5,250,000.00
Balance	4,353,256.79		
	<u>\$5,250,000.00</u>		<u>\$5,250,000.00</u>
		Balance	<u>\$4,353,256.79</u>

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SCHEDULE 10

*Journal*

Revenue Account 1910.....	\$10,000,000.00	
To Appropriations 1910.....		\$10,000,000.00

Additional appropriations made subsequent to original levy. Not provided from any specific source—"Money in the Treasury not otherwise appropriated," or other phrase of this nature having been used in the order, or no phrase at all—no provision of revenue at all—frequently.

*General Ledger*

REVENUE ACCOUNT 1910

Appropriations	\$130,000,000.00	Taxes levied	\$105,000,000.00
Additional Appropriations	10,000,000.00	Estimated Other Revenue	30,000,000.00
		Balance	5,000,000.00
	\$140,000,000.00		\$140,000,000.00
Balance	\$5,000,000.00		

APPROPRIATIONS 1910

Warrant for January Balance	\$11,424,111.82 128,575,888.18	Appropriations Additional Appropriations	\$130,000,000.00 10,000,000.00
	\$140,000,000.00		\$140,000,000.00
		Balance	\$128,575,888.18



# Municipal Accounts

## SCHEDULE II

### TOTAL FOOTINGS OF LEDGER ACCOUNTS

	Debit	Credit
Cash.....	\$21,251,963.59	\$9,887,065.72
Tax Levy 1910.....	110,250,000.00	19,659,234.52
Estimated Other Revenue.....	30,000,000.00	2,489,472.28
Vouchers Payable.....	9,887,065.72	11,424,111.82
Appropriation Balances Unexpended.....	11,424,111.82	140,000,000.00
Reserve for Abatements.....	896,743.21	5,250,000.00
Revenue Account 1910.....	140,000,000.00	135,000,000.00
	<u>\$323,709,884.34</u>	<u>\$323,709,884.34</u>

### TRIAL BALANCE

Cash.....	\$11,364,897.87	
Tax Levy 1910.....	90,590,765.48	
Estimated Other Revenue.....	27,510,527.72	
Vouchers Payable.....		\$1,537,046.10
Appropriation Balances Unexpended....		128,575,888.18
Reserve for Abatements.....		4,353,256.79
Revenue Account 1910 (deficiency).....	5,000,000.00	
	<u>\$134,466,191.07</u>	<u>\$134,466,191.07</u>

*Schedule 10* exhibits an entry illustrating what is frequently done in municipalities throughout the country, although it is opposed to all considerations of sound accounting and should be prohibited by law. Such action is prohibited by law in various cities, and such action could not be taken in the city of New York. This is, however, the essential point which I desire to bring out, and therefore this entry has been made as set forth.

*Schedule 11* exhibits the totals of the debit and the credit entries in each of the ledger accounts, and also exhibits a trial balance or balance sheet of the accounts as they stand on the general ledger after the entries above set forth have been made. The "deficiency of revenue," \$5,000,000.00, is exhibited on this trial balance.

Frequently, in cities of moderate size, and even in cities of large size, appropriations are made without proper provisions for new sources of revenues to meet the expenditures under such appropriations. We desire to make evident in these charts the

necessary result of such action by city councils or other appropriating bodies. Hence this journal entry which supposes that the appropriating body in this case has made additional appropriations to the extent of \$10,000,000.00, without providing additional revenue therefor. The journal entry would then be "Revenue Account 1910" debited with \$10,000,000.00, "Appropriations Account 1910" credited with \$10,000,000.00.

The condition of the general ledger accounts is shown lower down on Schedule 10, and it is seen that by this entry the "Revenue Account 1910," which prior to this entry had a credit balance of \$5,000,000.00, now has a debit or "deficiency" balance of \$5,000,000.00.

This is the point that I wish particularly to emphasize. It is the fact that in a large number of our cities in various parts of the country action is frequently taken by appropriating bodies similar to that set forth above. The methods of accounting heretofore in vogue, however, do not exhibit the deficiencies of revenue thereby created. My point is that the accounts *should* exhibit such deficiencies automatically and promptly, so that proper remedial action may be taken by the municipal government and further unsound financing be avoided. The importance of this matter can scarcely be exaggerated. Such action is the reason, in my opinion, for the extension of municipal debts which has been going on in most of our cities far beyond the amount represented by public improvements or other additions to the properties (fixed assets) of the city. This deficiency of revenue demonstrates that the accounts of every municipality should be so devised that deficiencies of this nature should be shown automatically and without concealment. This is the argument which has caused me to have these charts prepared and to make this statement to you.

The importance of this matter is well shown in the City Auditor's monthly statement of the city of Lynn, Mass., dated September 30, 1910, of which you now have copies. Turning to the first page of that statement, in the upper left-hand corner in the current assets, you will note the deficiencies of various years set forth. You will please note first that the deficiency of revenue 1908 is stated as \$78,386.21, while the deficiency of revenue 1909 is given as \$8,692.18. There is a difference between these two deficiencies of \$70,000.00, which means that



## *Municipal Accounts*

\$70,000.00 less of borrowed money from long-term bonds was expended for running expenses in the year 1909 than was expended in the year 1908. The only reason why as much or more money was not expended in 1909 arises from the fact that in the latter year these new forms of balance sheets were presented to the city council monthly, and these prospective deficiencies were clearly evident, whereas in the year 1908, before the new methods of accounting were installed, there was nothing in the monthly statements which could exhibit this important fact to the city government. Here is a saving of \$70,000.00 or more a year to future tax-payers in the city of Lynn, which would undoubtedly have been an additional burden upon them, had it not been for this monthly statement, published as now exhibited to you.

It will be noted further that the deficiency of revenue 1910 (if appropriations are fully expended) is expected to be \$9,772.21. This deficiency has been caused by bonds issued for revenue purposes shown on the opposite side of the account, amounting to \$10,000.00. The deficiency would be exactly \$10,000.00, had it not been that minor revenues have come in during the year to date, which diminish the deficiency to the amount stated in the balance sheet.

There are many other matters in this Lynn balance sheet which are interesting, and perhaps I should explain to you in the first place, turning to pages 2 and 3 of the statement, that the items set forth upon those pages are accumulated in the total set down in the lower right-hand corner in the last column but one, representing the balance of appropriations not yet expended at the date in question, September 30. The item \$353,586.73 on page 2 is made up of all the complication of accounts on that page, but it is exhibited in the balance sheet on page 1 as only *one* of the many items of liability. In addition to this item there are, as you see, a large number of other liabilities which are legal claims against the corresponding assets on the other side, and it is only when all of these liabilities are properly set up on the balance sheet in this way, contrasted with the available current assets, that we may know whether or not there are deficiencies of revenue and how much those deficiencies amount to.

I think you will see clearly, if you give careful attention to this division of the balance sheet, the fundamental nature of the methods of accounting which I have described, and the insistence

which professional accountants should place upon such an installation of ledger accounts as will give, without possibility of concealment, the true condition of the finances of every municipality at least as often as once a month.

THE PRESIDENT: This paper of Mr. Chase's is very interesting, nevertheless the morning has lapsed, and it is nearly one o'clock, and the chair will entertain a motion to adjourn this meeting. If you desire to do so, you may meet again at 2.30 for the discussion of the paper.

MR. THOMAS: I move that we adjourn the meeting until 2.30 this afternoon.

The motion was carried.

THE PRESIDENT: I wish to say, before adjourning, that there will be a meeting of the Board of Trustees in Room M., at 2.30 o'clock this afternoon, and I will ask Mr. Joplin, therefore, to take the chair and preside at the meeting this afternoon called for the purpose of an informal discussion on Mr. Chase's paper.

The Convention adjourned sine die.

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MR. CHARLES F. GETTEMY: *Mr. Chairman, and gentlemen:* I am not a member of your organization, and therefore not here as a delegate, but your Chairman has asked me to say something about the work of the Bureau of Statistics of Massachusetts in relation to municipal accounting.

I am interested in the subject of municipal accounting officially from the statistical standpoint, and am very glad to be able to tell you something of what we are trying to do in Massachusetts in the way of systematizing municipal accounts for statistical purposes, because that is the point of view from which the Bureau of Statistics is approaching the subject, and not primarily from the point of view of introducing systems of accounts *per se*.

You are, of course, familiar, in a general way, with the history of the movement for municipal accounting reform, which had its incipency about sixteen or seventeen years ago, I believe, with the National Municipal League, which started a campaign for uniform systems of municipal accounting. This has been



## *Municipal Accounts*

taken up, as you know, by the Bureau of Census at Washington, which has set the pace in the matter of establishing standard classifications and endeavoring to have them adopted by the municipalities of the country. You know, also, that the state of Ohio was the pioneer in the matter of state supervision of municipal accounts, to the extent that the legislature of that state passed a very comprehensive act, providing for the establishment of a Bureau, in the State Auditor's department, the duty of which should be to install accounting systems in the cities, towns, and counties of Ohio, with periodical audits of their accounts by this state department. Since that time various other states have followed in that line, and have passed laws more or less comprehensive—I believe the state which has passed the act most nearly analogous to that of Ohio—practically the same act—is Indiana.

In Massachusetts the question of attempting to reform municipal accounting systems had its origin in a movement with which I believe Mr. Chase was identified at the start, and I am under the impression that Mr. Chase and his colleagues at that time undertook to convince the Massachusetts legislature that legislation somewhat similar to that which was subsequently passed in Ohio should be adopted in Massachusetts. But we in Massachusetts are very strongly devoted to the theory and spirit of local self-government, and a great many people are obsessed by that theory to the extent that they look at things solely from the standpoint of local government; and the legislature of Massachusetts, composed as it is of representatives from all the cities and most of the towns of the state, simply could not be prevailed upon to pass a bill, the ostensible purpose of which was to bring about a centralized state supervision of municipal accounts, the cities and towns feeling that they were capable of looking after these things themselves. All that could be done, therefore, was to induce the legislature to pass a bill, which appeared to be innocuous, but which was regarded by the fathers of the movement as an entering wedge, and such it has proved to be. This opening wedge had a very thin edge—almost a razor edge. It provided, instead of undertaking to establish uniform accounting methods in the cities and towns of Massachusetts, that the Bureau of Statistics should send to the accounting officers of all of the cities and towns of the Commonwealth uniform

schedules, on which they were to make returns of their financial transactions.

For this work the legislature appropriated the sum of two thousand dollars (\$2,000), to employ a clerk to do this work—that was the designation, a “clerk,” not even an accountant, let alone a certified public accountant—with, of course, a small sum of money for trifling expenses, postage, etc. With this appropriation the Bureau hobbled along as best it could; undertook to devise schedules and send them out to the best of its ability, as the law said, to the “accounting officer” of the cities and towns. But it is often like looking for a needle in a haystack to find the “accounting officer” in the cities and towns of Massachusetts, because you never know who he is; you can send a schedule to the town treasurer, but you will find that he seldom keeps all the town accounts; sometimes the books are kept by the Chairman of the Board of Selectmen, sometimes by the clerk, and so on down the line. But our schedule was sent to somebody, and in most cases something of an effort was made to fill it out. But you must bear in mind that to fill a schedule involves the digging out by the man who does it from his own accounts of the desired data, item by item, and transferring them to the proper places on the schedule; he must endeavor to put himself in our place and make certain that his definitions agree with ours, and that he is putting on the right line in the schedule the item that we want him to put there, instead of putting it somewhere else. We have endeavored to help him to some extent by getting out a pamphlet describing our classifications in great detail, and the schedule itself is accompanied by a list of items covering approximately about everything that cities or towns spend money for, the precise line on the schedule where expenditures for each purpose should be placed being indicated.

But we have no power, no absolute power, to install accounting systems. It is wholly a voluntary process, beyond the fact that the cities and towns are required to answer in these schedules to us, the questions asked. Of course, some of them ignore the law altogether—it carries no penalty—others endeavor to fill the schedule, but do so in such a defective manner that it is impossible to use the returns without going through them and spending a great deal of time upon them, and then sending an accountant to the town to examine the books at close range. We



## *Municipal Accounts*

now have in the Bureau some four or five expert accountants, who are not only expert accountants, but expert municipal accountants—which is a very different thing—and we have trained six or seven women clerks for this work. Every city and town in Massachusetts, down to the smallest town, under the law, has to have a printed report, and we have a certain advantage in that, although many of these town reports are of very doubtful value. We sometimes find that their footings don't balance, and our clerks have spent many days and days in laboriously going over the printed figures, trying to verify items and correct footings which are wrong.

When the schedules come into our office, we put them in the hands of clerks, who endeavor to check them up with the local printed report, and when they have got as far as they can, they draw up a number of inquiries and notes, which are turned over to a man who is an expert in classifications, who goes through them for the clerks; he then has a list remaining which can only be answered by sending a special agent, who is an accountant, to the city or town to go over the books in person, and extract the information desired. For that reason we are just able to bring out this autumn our second annual report on the subject, which has been two years in preparation, and covers the financial year 1907. Some day, with better accounting methods and a larger office staff, I hope we shall get caught up.

The result of this work has been, I am glad to say, to stimulate and arouse a great deal of interest in the cities and towns of Massachusetts, in their accounting methods, and in numerous cases the local officials have appealed to us, and have said: "We can't fill out your schedules without changing our bookkeeping methods, and we would like to do so, but there isn't anybody in town who can do it. Can't you send some one from your office, and we will be glad to pay the expense?" But the law was not such as enabled the Bureau to do such work, and receive compensation for it. The legislature, however, in 1910 passed an act, upon my recommendation, which authorized cities and towns to petition the Bureau of Statistics to audit their accounts and to install accounting systems, the cost to be assessed back on the municipality.

Our last legislature also passed another act, which is the only act which involves any real compulsory supervision by the Bu-

reau over local finances—a law which requires that notes issued by towns, after the first of January, 1911, must be certified by the Director of the Bureau of Statistics. I think that this is the first piece of legislation of that sort to be passed for the accomplishment of such a purpose in any American state. Like most legislation intended to accomplish good, it was brought about only after very serious damage had been done. In the town of Framingham, a town of about twelve thousand inhabitants, the "faithful, tried and true" town treasurer, who had held that office for many years, and had the respect and regard of the entire community, turned out to be a defaulter to the extent of some three hundred and fifty thousand dollars (\$350,000), through the forgery of town notes. The law requires that town notes be signed by the town treasurer and countersigned by the Board of Selectmen; but this town treasurer had gotten under the influence of sharpers in the money market, and he was led to issue town notes and forge the names of the selectmen to them. One of these notes came due sometime last October and when it was not paid, the disclosure came. The treasurer is now in state prison.

That unfortunate episode called attention to the fact that there was no adequate safeguard in our towns in regard to the issuing of these obligations. The Governor of the Commonwealth thereupon recommended legislation, with the result that the legislature passed a bill requiring town notes to be certified by the Director of the Bureau of Statistics. The result of this requirement may be to limit the issue of town notes in the future to tax notes—that is, notes issued in anticipation of taxes, and that will result in the towns issuing bonds for their other expenses. At the present time, towns issue notes for highway, school, and other purposes, and they also issue serial notes instead of bonds. The legislation involves the furnishing of books of note forms by the Bureau of Statistics to all town treasurers, and hereafter, when issuing notes, the treasurer must use one of these forms. There are three hundred and twenty-one towns in Massachusetts, and we shall send a book to each town, containing a certain number of notes serially numbered and attached to a stub, upon which the town treasurer must keep a record of each note, stating the amount of the note, when it is issued, where it is payable, date of payment, the amount of in-



## *Municipal Accounts*

terest, whether discounted, etc. The signatures of the selectmen to the note are required, and the town clerk must furnish the Bureau with a certificate to the effect that they were signed in his presence, and that the persons purporting to be the treasurer and the selectmen were duly elected and qualified to act as such. When the note comes to the Bureau, we shall send to each of the signers an identification certificate, and he will be required to certify that he did sign that particular note. These certificates, being returned in proper form, will be my evidence of the genuineness of the signature. The note, when certified, will be returned to the town treasurer by registered mail.

I said at the outset that we approached this subject from a statistical standpoint. I find that public accountants who are unquestionably able to audit properly the accounts of a municipality are apt to stop there; they are like a great many municipal auditors who are lacking in a sense of imagination, which, if they possessed, would lead them to go beyond their journals and cash books and ledgers, and look at things from the standpoint of the people who pay the taxes. The installation of proper accounting systems in our municipalities is, from my point of view, a means to an end. We are endeavoring to lay emphasis on uniformity of definitions and classifications of accounts, so that we can get comparable statistics and so that our auditors' reports can be presented to the people in a form which will mean something. Now, we have reports that show the financial transactions of the city or town in a certain sense, and they give list after list of names of persons to whom money is paid, but they don't show for what purpose the money is paid; there is no proper classification, and the public too often can't get sufficient information from them to determine the cost of municipal service.

Now, a municipality may make—as a good many of our Massachusetts towns do and I think probably a few cities—a blanket appropriation for salaries, and out of that appropriation are to be paid all the salaries, from that of the mayor to the janitor of the schoolhouse; and an auditor, of course, may audit the accounts and find that no money is paid from that appropriation which ought not to have been paid from it, that all money in that appropriation was paid for salaries and nothing else, that the books balance, and no money has been stolen, and he will give a

certificate of competency and honesty to the treasurer. But we want auditors who will be able to make up, and insist on the cities making up, budgets in classified form; we want to do away with salary accounts, and as far as possible with contingent accounts—they are apt to be delusions and snares—and have the figures presented in classified form; in a form which will mean something to the citizens and taxpayers.

We are hoping the time will come when accounts will be kept on a uniform system of classification, so that we shall know for what purpose the city's money is spent and we shall be able then to arrange statistical tables which will show year by year whether the city is spending more or less for its schools, its health department, its fire department, etc., than it spent the preceding year, or more or less than cities of similar size and condition are spending. In the course of time, when we get these fundamental questions settled, we hope to be able to establish some unit of measurement in municipal service. The most common method of making comparisons of municipal expenditures, debt, etc., is to use a per capita basis—I think that alone is apt to be very misleading, and I am very doubtful whether, in many cases, comparison should not be made on the basis of valuation, and in other cases on density of population. In the course of time, when we can get municipal statistics on a uniform basis, we may be able to work out a system of index numbers, so to speak, for measuring municipal service.



# C. P. A. LAWS

As Enacted by the Several States





**UNIVERSITY OF THE STATE OF NEW YORK  
COLLEGE DEPARTMENT.**

**CERTIFIED PUBLIC ACCOUNTANTS LAWS  
OF NEW YORK, 1896.**

**Chapter 312.**

**AN ACT TO REGULATE THE PROFESSION OF PUBLIC  
ACCOUNTANTS.**

SECTION 1. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the state, being over the age of 21 years and of good moral character, and shall have received from the Regents of the University a certificate of his qualifications to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a Certified Public Accountant, and no other person shall assume such title, or use the abbreviation "C. P. A." or any other words, letters or figures, to indicate that the person using the same is such certified public accountant.

SEC. 2. The Regents of the University shall make rules for the examination of persons applying for certificates under this act, and may appoint a board of three examiners for the purpose, which board shall, after the year 1897, be composed of certified public accountants. The Regents shall charge for examination and certificate such fee as may be necessary to meet the actual expenses of such examination, and they shall report annually, their receipts and expenses under the provisions of this act to the state comptroller, and pay the balance of receipts over expenditures to the state treasurer. The Regents may revoke any such certificate for sufficient cause after written notice to the holder thereof and a hearing thereon.

SEC. 3. The Regents may, in their discretion, waive the examination of any person possessing the qualifications mentioned in Section 1 who shall have been, for more than one year before the passage of this act, practicing in this State on his own account, as a public accountant, and who shall apply in writing for such certificate within one year after the passage of this act.\*

SEC. 4. Any violation of this act shall be a misdemeanor.

SEC. 5. This act shall take effect immediately.

Dated April 17, 1896.

**NOTES ON THE LAW.**

**CERTIFICATES.** The use of the abbreviation C. P. A. or any other words, letters or figures to indicate that the person using the same is a certified public accountant is prohibited except to those holding Regent certificates.

\* **NOTE.**—Laws 1901, ch. 343, extends the time for application under this section to Sept. 1, 1901.

## *American Association Year-Book*

The C. P. A. certificate is granted only to an applicant at least 25 years of age who has had three years satisfactory experience in the practice of accounting, one of which shall have been in the office of an expert public accountant.

Certificates will be revoked for cause.

**PRELIMINARY REQUIREMENTS.** The Regents 60 count qualifying certificate is required for admission to the C. P. A. examinations (*see Handbook 23*).

**PROFESSIONAL REQUIREMENTS.** A candidate for the C. P. A. certificate must be more than 21 years of age and of good moral character. He must pay a fee of \$25 and must take all four subjects at a single examination.

On March 31, 1910, the Regents amended their revised rules by the adoption of

**ENGLISH ESSENTIAL FOR QUALIFYING CERTIFICATES.** Hereafter all applicants for qualifying certificates upon equivalents from foreign countries other than those in which English is the language of the people, all or any part of which equivalent certificates are earned or issued in said foreign countries, shall pass the Regents examination in second year English.

**EXAMINATIONS.** The three examiners are appointed to serve for one year. Since 1897 the board has been composed of certified public accountants.

Two examinations are held annually in January or February and June respectively. There are five sessions of three hours each: (1) theory of accounts, 3 hours; (2-3) practical accounting, 6 hours; (4) auditing, 3 hours; (5) commercial law, 3 hours.

Applications should be made at least 10 days in advance to the New York State Education Department, Albany, N. Y.

### PLACES.

New York, Albany, Syracuse, Buffalo.

Each candidate is notified as to the exact place.

### DAILY PROGRAM.

*Morning, 9.15.*

Tuesday—Theory of accounts; Wednesday—Practical accounting (pt. 2); Thursday—Commercial law.

*Afternoon, 1.15.*

Tuesday—Practical accounting (pt. 1); Wednesday—Auditing.



STATE OF PENNSYLVANIA.

AN ACT TO ESTABLISH A BOARD FOR THE EXAMINATION OF ACCOUNTANTS, TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS, AND TO PROVIDE A PUNISHMENT FOR THE VIOLATION OF THIS ACT.

SECTION 1. Be it enacted, etc., That any citizen of the United States, residing or having an office for the regular transaction of business in the State of Pennsylvania, being over the age of twenty-one years and of good moral character, and who shall have received from the Governor of the State of Pennsylvania a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be designated and known as a certified public accountant, and no other person shall assume such title, or use the abbreviation "C. P. A.," or any other words, letters or figures to indicate that the person using the same is such certified public accountant. Every person holding such certificate, and every co-partnership of accountants, every member of which shall hold such certificates, may assume and use the title of certified public accountants, or the abbreviation thereof, C. P. A.; *Provided*, That no other person or co-partnership shall use such title or abbreviation, or other words, letters or figures, to indicate that the person or co-partnership using the same is such certified public accountant.

SEC. 2. The Governor of the State of Pennsylvania shall appoint a board of five examiners for the examination of persons applying for certification under this act. Three of said examiners shall be public accountants, who shall have been in practice as such for at least five years; one of whom shall be appointed for the term of one year, one for two years, and one for three years, and upon the expiration of each of said terms an examiner shall be appointed for the term of three years, and after one thousand eight hundred and ninety-nine these three examiners shall be certified public accountants. The other two examiners shall be practicing attorneys in good standing in any of the courts in the State of Pennsylvania; one of them shall be appointed for the term of one year, and the other for two years, and upon the expiration of each of said terms a successor shall be appointed for the term of two years. The examination for certificates shall be based upon an examination in commercial law and general accounting; said examination shall take place in Philadelphia, Harrisburg, and Pittsburg, twice a year, during the months of May and November of each year, under such rules and regulations as may be adopted by the board. The fees provided by this act shall be twenty-five dollars for each applicant, from which shall be paid from the expenses incident to such examination for stationery and clerk hire, a sum not exceeding two hundred dollars, and if any surplus above said expenses shall remain at the end of any year it shall be paid, after the traveling expenses of the board shall be deducted therefrom, into the treasury of

the Commonwealth. The results of such examinations shall be certified to the Governor and filed in the office of the Secretary of Internal Affairs, and kept for reference and inspection for a period not less than five years; the Governor to issue the certificates.

SEC. 3. The Governor of the State of Pennsylvania may revoke any such certificate for sufficient cause, upon the recommendation of the board of examiners, who shall have given written notice to the holder thereof, and after he has had a hearing thereon.

SEC. 4. The board of examiners may, in its discretion, waive the examination of any person who shall have been for three years before the passage of this act practicing in the State of Pennsylvania as a public accountant, and who shall apply in writing for such certificate within one year after the passage of this act.

SEC. 5. If any person shall hold himself out as having received the certificate provided for in this act, or shall assume to practice thereunder as a certified public accountant, or use the initials C. P. A., without having received such certificate, or after the same shall have been revoked, he shall be deemed guilty of misdemeanor, and on conviction thereof shall be sentenced to pay a fine not exceeding five hundred dollars.

Approved the 29th day of March, A. D. 1899.

(Signed) WILLIAM A. STONE.

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## STATE OF MARYLAND.

### Chapter 719—Acts 1900.

#### AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANT IN THE STATE OF MARYLAND.

SECTION 1. Be it enacted by the General Assembly of Maryland, That any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the State of Maryland, being over the age of twenty-one years and of good moral character, and who shall have received from the Governor of the State of Maryland a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a certified public accountant; and no other person shall assume such title, or use the abbreviation "C. P. A.," or any other words, letters or figures to indicate that the person using the same is such certified public accountant.

SEC. 2. The Governor shall, within sixty days after the passage of this Act, appoint a board of four examiners for the examination of persons applying for certificates under this Act; two of said examiners shall be public accountants, selected from a list of six names proposed by the



## *C. P. A. Laws*

Maryland Association of Public Accountants, one of which said two examiners shall hold office for the term of one year, and one for the term of two years, and upon the expiration of each of said terms, and of each succeeding term, an examiner shall be appointed for the term of two years, and after the year nineteen hundred each successor to said two examiners shall be appointed from such persons as may hold certificates as Certified Public Accountants under this Act. The other two of said board of examiners shall be practicing attorneys, in good standing, in any of the courts of the State of Maryland; one of them shall hold office for the term of one year, the other for the term of two years, and upon the expiration of each of said terms and each succeeding term a successor shall be appointed for the term of two years, such successors to be practicing attorneys, in good standing, as hereinbefore mentioned.

SEC. 3. Examinations of persons applying for certificates under this Act shall be held at least once every year, and be conducted according to such rules and regulations as the said board of examiners may adopt for the purpose. The results of such examinations shall be certified to the Governor, and to all persons as may have passed examination satisfactory to said board of examiners, and by it been recommended, the Governor shall issue the certificate mentioned in the first section of this Act.

SEC. 4. The board of examiners shall charge for examination and certificate such fee as may be necessary to meet the actual expenses of such examinations and issuing of such certificate, and shall report annually the receipt and expenses under the provisions of this Act to the State Comptroller, and the surplus, if any, of receipts over expenses shall be paid into the State Treasury. The Governor may revoke any certificate issued under the provisions of this Act for a sufficient cause; provided written notice shall have been given to the holder thereof, and after he has had an opportunity for a hearing thereon.

SEC. 5. The board of examiners may in its discretion waive the examination of any person possessing the qualifications mentioned in Section 1 of this Act, who shall have been at the time of the passage of this Act practicing in this State as a public accountant on his own account, and who shall apply in writing to said board for such certificate within one year after the passage of this Act, and upon the recommendation of said board the Governor shall issue said certificate to such person.

SEC. 6. Any person who shall violate any of the provisions of this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court having criminal jurisdiction shall be fined not less than fifty dollars nor more than two hundred dollars, or be confined not more than six months in the county jail, if the conviction takes place in Baltimore City, in the Baltimore City jail, in the discretion of the court.

SEC. 7. And be it enacted, That this Act shall take effect from the date of its passage.

Approved April 10, 1900.

STATE OF CALIFORNIA.  
STATE BOARD OF ACCOUNTANCY.

Chapter 213.

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION OF AND ISSUANCE OF CERTIFICATES TO QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT; AND TO PROVIDE THE GRADE OF PENALTY FOR VIOLATIONS OF THE PROVISIONS HEREOF.

(Approved March 23, 1901.)

The People of the State of California, represented in Senate and Assembly, do enact as follows:

SECTION 1. Within thirty days after the passage of this act the governor shall appoint five persons, at least three of whom shall be competent and skilled public accountants who shall have been in practice as such in this state for not less than five consecutive years, to constitute and serve as a state board of accountancy. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the Political Code, and file the same with the Secretary of State. They shall hold office for four years, and until their successors are appointed and qualified; save and except that one of the members of the Board first to be appointed under this act shall hold office for one year; one for two years; one for three years, and two for four years. Any vacancies that may occur, from any cause, shall be filled by the governor for the unexpired term; provided, that all appointments made after the first year must be made from the roll of certificates issued and on file in the office of the governor.

SEC. 2. The State Board of Accountancy shall have its office in the city and county of San Francisco, and its powers and duties shall be as follows:

1. To formulate rules for the government of the board and for the examination of and granting of certificates of qualification to persons applying therefor;

2. To hold written examinations of applicants for such certificates, at least semi-annually, at such places as circumstances and applications may warrant;

3. To grant certificates of qualification to such applicants as may, upon examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," to practice as certified public accountants;

4. To charge and collect from all applicants such fee, not exceeding



### *C. P. A. Laws*

twenty-five dollars, as may be necessary to meet the expenses of examination, issuance of certificates and conducting its office; provided, that all such expenses, including not exceeding five dollars per day for each member while attending the sessions of the board or conducting examinations, must be paid for the current receipts, and no portion thereof shall ever be paid from the state treasury;

5. To require the annual renewal of all such certificates, and to collect therefor a renewal fee of not exceeding one dollar;

6. To revoke for cause any such certificate, after written notice to the holder, and a hearing being had thereon; provided, that such revocation must receive the affirmative vote of at least four members of the board;

7. To report annually to the governor, on or before the first day of December, all such certificates issued or renewed, together with a detailed statement of receipts and disbursements; provided, that any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the future expenses thereof;

8. The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing qualifications mentioned in section three, who shall have been for more than three years prior to the passage of this act practicing in this state as public accountants on their own account, and who shall, in writing, apply for such certificates within one year thereafter.

SEC. 3. Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business in this state, being over the age of twenty-five years and of good moral character, may apply to the state board of accountancy for examination under its rules, and for the issuance to him of a certificate of qualification to practice as a certified public accountant, and upon the issuance and receipt of such certificate, and during the period of its existence, or of any renewal thereof, he shall be styled and known as a certified public accountant or expert of accounts, and no other person shall be permitted to assume and use such title or to use any words, letters or figures to indicate that the person using the same is a certified public accountant.

SEC. 4. Any violation of the provisions of this act shall be deemed a misdemeanor.

SEC. 5. This act shall take effect from and after its passage.

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### STATE OF ILLINOIS.

Senate Bill No. 382. House Bill No. 750.

#### A BILL FOR AN ACT TO REGULATE THE PROFESSION OF PUBLIC ACCOUNTANTS.

SECTION 1. Be it enacted by the people of the State of Illinois, represented in the general assembly. That any citizen of the United States

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or person who has duly declared his intention of becoming such citizen, having a place for the regular transaction of business as a professional accountant in the State of Illinois, being over the age of twenty-one years, of good moral character, being a graduate of a high school with a four years' course, or having had an equivalent education, and who shall have received from the University of Illinois a certificate of his qualifications to practice as a public expert accountant as hereinafter provided, shall be styled and known as a "Certified Public Accountant"; and no other person shall assume such title or use the abbreviation "C. P. A.," or any other words or letters to indicate that the person using the same is a Certified Public Accountant.

SEC. 2. The University of Illinois shall determine the qualifications of persons applying for certificates under this Act and shall make rules for the examination of the same, and for this latter purpose shall appoint three examiners, at least two of whom shall be skilled in the practice of accounting and actively engaged therein in the State of Illinois, and the third shall be either an accountant of the grade herein described or an attorney skilled in commercial law.

The time and place of holding the examinations shall be duly advertised, for not less than three consecutive days, in one daily newspaper published in each of the places where the examinations are to be held, not less than thirty days prior to the date of each examination.

The examination shall be in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law" as affecting accountancy.

The examinations shall take place as often as may be necessary in the opinion of the University, but not less frequently than once a year.

SEC. 3. The University of Illinois may in their discretion, under regulations provided by their rules, waive all or any part of the examination of any applicant possessing the qualifications mentioned in Section 1, who shall have had five successive years' previous experience as a public accountant previous to the date of application, who shall apply in writing within one year after the passage of this Act, and who shall have been practicing in this state as a public accountant, on his own account, for a period of not less than one year next prior to the passage of this Act; also to any person who shall have been actively engaged in practice as a public accountant for not less than five years next prior to the passage of this Act, outside of the State of Illinois, who shall have passed an examination equivalent, in the opinion of the University of Illinois, to the examination to be held under the provision of this Act.

SEC. 4. (a) The University shall charge for the examination and certificate a fee of twenty-five dollars (\$25) to meet the expenses of such examinations. This fee shall be payable by the applicant at the time of filing his application.



## *C. P. A. Laws*

(b) The Examiners appointed by the University of Illinois shall be paid for the purpose of this Act for the time actually expended in the pursuance of the duties imposed upon them by this Act, an amount not exceeding ten dollars (\$10) per day, and they shall be further entitled to their necessary traveling expenses. All expenses provided for by this Act must be paid from the receipts under this Act, and no expense incurred under this Act shall be a charge against the funds of the University.

(c) From the fees collected under Section 4 the University of Illinois shall pay all the expenses incident to the examinations held under this Act, the expense of issuing certificates, and traveling expenses of the examiners, and their compensation while performing their duties under this Act.

SEC. 5. The University may revoke any certificates issued under the provision of this Act, for unprofessional conduct or other sufficient cause, provided that written notice shall have been previously mailed to the holder of such certificate twenty days before any hearing thereon, stating the cause for such contemplated action, and appointing a date for a full hearing thereof by the University; and provided further, that no certificates shall be revoked until a hearing shall have been made.

SEC. 6. If any person shall represent himself to the public as having received a certificate as provided in this Act, or shall assume to practice as a Certified Public Accountant, or use the abbreviation "C. P. A.," or any similar words or letters to indicate that the person using the same is a Certified Public Accountant, without having received such certificate; or if any person having received a certificate as provided in this Act, and having thereafter lost such certificate by revocation as herein provided, shall continue to practice as a Certified Public Accountant; he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not exceeding two hundred dollars (\$200) for each offense; providing that nothing herein contained shall operate to prevent a Certified Public Accountant who is the lawful holder of a certificate issued in compliance with the laws of another State, from practicing as such within this State, and styling himself a Certified Public Accountant.

May 15, 1903.

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## STATE OF WASHINGTON.

### STATE BOARD OF ACCOUNTANCY.

AN ACT TO CREATE A "STATE BOARD OF ACCOUNTANCY," AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION OF, AND ISSUANCE OF CERTIFICATES TO, QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT, AND TO PROVIDE THE PENALTY FOR VIOLATIONS OF THE PROVISIONS THEREOF.

Be it enacted by the Legislature of the State of Washington, as follows, to wit:

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SECTION 1. Within thirty days after this act shall take effect, the Washington Association of Public Accountants shall elect fifteen reputable and skilled accountants, who shall have been in practice as such not less than three consecutive years, from which the Governor shall appoint five. The said five skilled accountants duly elected and appointed shall constitute the Board of Accountancy of the State of Washington, and shall hold office, as respectively designated in their appointments, for the term of one, two, three, four, or five years, as hereinafter provided, and until their successors have been duly elected and appointed. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the statutes of the State of Washington, and file the same with the Secretary of State. The Certified Public Accountants of the State of Washington, as hereinafter provided, shall annually elect five of their number, one of whom the Governor of the State of Washington shall appoint to fill the vacancy annually occurring in said board, such appointment to be for the term of five years. In case of a vacancy occurring from any cause, the Governor shall fill the vacancy by appointing a Certified Public Accountant from the names last submitted, to serve as a member of the board for the remainder of the term.

SEC. 2. The State Board of Accountancy shall have its office at such place in the State of Washington as shall be designated by the board, and its powers and duties shall be as follows:

First: To formulate rules for the government of the board and for the examination of, and granting of certificates of qualification to, persons applying therefor.

Second: To hold written examinations of applicants for such certificates, at least semi-annually, at such places as circumstances and applications may warrant.

Third: To grant certificates of qualification to such applicants as may, upon examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," to practice as Certified Public Accountants.

Fourth: To charge and collect from all applicants such fee, not exceeding twenty-five dollars, as may be necessary to meet the expenses of examination, issuance of certificates, and conducting its office; provided, That all such expenses, including not exceeding five dollars per day for each member while attending the sessions of the board or conducting the examinations, must be paid from the current receipts; and no portion thereof shall ever be paid from the State Treasury.

Fifth: To revoke for cause such certificate, after written notice to the holder, and a hearing being had thereon; Provided, That such revocation must receive the affirmative vote of at least four members of the board.

Sixth: To report annually to the Governor, on or before the first day of January in each year, all such certificates issued during the preceding year, together with a detailed statement of receipts and disbursements; Provided, That any balance remaining in excess of the expenses incurred



## *C. P. A. Laws*

may be retained by the board and used in defraying the future expenses thereof.

Seventh: The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing the qualifications mentioned in sub-section three of this section, who shall have been for more than one year prior to the passage of this act, residents of the State of Washington, and who shall, in writing, apply for such certificate within one year thereafter.

Eighth: Every Certified Public Accountant, during the time he continues the practice of his profession shall, annually, on such date as the Board of Accountancy may determine pay to the secretary of said Board of Accountancy, a fee of one dollar, in return for which payment he shall receive a renewal certificate for one year.

SEC. 3. Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business in the State of Washington, being over the age of twenty-five years and of good moral character, may apply to the State Board of Accountancy for examination under its rules, and for the issuance to him of a certificate of qualification to practice as a Certified Public Accountant; and upon the issuance and receipt of such certificate, and during the period of its existence, he shall be styled and known as a Certified Public Accountant, and no other person shall be permitted to assume and use such title, or to use any words, letters or figures, to indicate that the person using the same is a Certified Public Accountant, or expert of accounts.

SEC. 4. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof before any court of competent jurisdiction, shall be punished by a fine in any sum not exceeding one hundred dollars.

SEC. 5. This act shall take effect from and after its passage and approval by the Governor.

March 12, 1903.

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## THE LAW—STATE OF NEW JERSEY.

Copy of an Act of the Legislature. Chapter 230, page 400, Laws of 1904. Approved by Gov. Franklin Murphy, April 5, 1904, creating New Jersey State Board of Public Accountants.

### AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANTS.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

SECTION 1. Within sixty days after the passage of this act the Governor of the State of New Jersey shall appoint three persons, who shall

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be public accountants residing in the State of New Jersey, and who have been engaged in the practice of their profession for at least three years; the said three persons shall constitute the New Jersey State Board of Public Accountants, one of whom shall be appointed to hold office for one year, one shall be appointed to hold office for two years and one shall be appointed to hold office for three years.

SEC. 2. Upon the expiration of the term of each member, the Governor shall appoint his successor from among the certified public accountants of the State of New Jersey for a term of three years, in like manner as the previous appointments; each member shall hold over after the expiration of his term until his successor shall have been duly appointed and qualified.

SEC. 3. Any vacancy occurring in the membership of the State Board of Public Accountants shall be filled for the balance of the unexpired term in like manner; the members of the Board shall serve without compensation for their services, except as hereinafter provided.

SEC. 4. The members of the New Jersey State Board of Public Accountants shall, before entering upon the discharge of their duties, and within thirty days after their appointment, take and subscribe an oath before any officer authorized to administer oaths in the State, for the faithful performance of duty, and file the same with the Secretary of State; they shall annually elect from their Board a president, a secretary and a treasurer; the offices of secretary and treasurer may, by vote of the Board, be consolidated and held by one person; the officers shall receive such compensation for their services as may be determined by the Board, as hereinafter provided.

SEC. 5. The Board may adopt all necessary rules, regulations and by-laws to govern its proceedings, not inconsistent with the laws of this State or of the United States; the Board may adopt a seal, and the secretary shall have the care and custody thereof, and shall keep a record of all the proceedings of the Board, which shall be open to public examination.

SEC. 6. Two members of the Board shall constitute a quorum.

SEC. 7. The Board may adopt rules and regulations for the examination and registration of applicants desiring to practice the profession of public accountant, in accordance with the provisions of this act, and may amend, modify and repeal such regulations from time to time.

SEC. 8. The Board shall immediately, upon the election of each officer thereof, and upon the adoption, repeal or modification of the rules and regulations for the registration of applicants, file with the Secretary of State and publish in at least one daily newspaper in the State the name, and post office address of each officer and a copy of such rules and regulations or the amendment, repeal or modification thereof.



## *C. P. A. Laws*

SEC. 9. Provision shall be made by the State Board of Public Accountants for holding examinations at least twice a year of applicants, for registration to practice the profession of public accountant, if there shall be any such applicants; and the Governor, upon the recommendation of the State Board of Public Accountants, shall have the power to issue to any citizen of the United States, residing in or having a place for the regular transaction of business in the State of New Jersey, who shall be over the age of twenty-one years and of good moral character, a certificate authorizing him to practice as a public expert accountant, and such person shall be styled and known as a "certified public accountant."

SEC. 10. The Governor may, in his discretion, on the written recommendation of the Board, waive the examination of any person possessing the qualifications mentioned in section nine of this act, and issue to said person a certificate; provided he shall have practiced for more than three years before the passage of this act as a public accountant in this State, and shall apply in writing for such certificate within one year after passage of this act.

SEC. 11. The Board of Examiners may, in their discretion, waive the examination of any person who shall at the time of his application reside or have a place for the regular transaction of business in the State, and shall hold a valid and unrevoked certificate as a certified public accountant, issued by or under the authority of any State or Territory; provided, that the State issuing the original certificate grants similar privileges to the certified public accountants of this State.

SEC. 12. Before any such certificate shall be issued to any applicant therefor, he shall pay to the treasurer of the State Board of Public Accountants the sum of \$25.

SEC. 13. The Governor may, upon recommendation of the Board, revoke any certificate therefore issued by him; provided, that said recommendation be made after a hearing thereon before said Board, due notice of which shall be given to the holder thereof, and for sufficient cause shown in said hearing.

SEC. 14. If any person shall advertise or put out any sign, card or drawing designating himself as a certified public accountant, or shall assume the title of certified public accountant, or use the abbreviation "C. P. A." or any other words, letters and figures, to indicate that the person using the same is such certified public accountant, without a certificate thereof, in accordance with the provisions of this act, he shall be guilty of a misdemeanor, and, upon conviction, shall be fined not less than \$50 and not more than \$500 for each offence, or shall be imprisoned in the county jail for a period of not less than one month.

SEC. 15. The expenses of said Board of the officers thereof, and of the examination held by said Board, and of any other matter in connection with the provisions of this act, shall be paid from the registration

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fees above provided for, and not otherwise; in no case shall such expenses or any part thereof be paid by the State of New Jersey, or be a charge against said State.

SEC. 16. An itemized account of all receipts and expenditures of said Board shall be kept by its treasurer and a detailed report thereof each year, ending with the 30th day of September, duly verified by the affidavit of the said treasurer, shall be filed with the Secretary of State within sixty days thereafter. Said Secretary of State shall be paid such fees therefor as are now paid for filing similar papers in his office.

SEC. 17. The members of the Board shall be entitled to reimbursement for their traveling and hotel expenses incurred in pursuance of their duties, not to exceed \$5 per diem for each member of said Board, and the officers of said Board shall receive such annual compensation as shall be provided by the Board by resolution adopted by it at a regular meeting; no member of the Board shall be held personally responsible for any portion of the salaries of the aforesaid officers, should the fees for certificates received by said Board be insufficient to meet the same.

SEC. 18. Any surplus of fees in the treasury of said Board over and above the sum of \$500, after the payments of the expenses of the members of the Board, and the salaries of the officers thereof, as herein provided for, shall be paid annually to the treasurer of the State of New Jersey, and shall thereafter be paid out only on the warrant and authority of the comptroller of the State of New Jersey.

SEC. 19. This act shall take effect immediately.

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## MICHIGAN C. P. A. LAW.

AN ACT TO ESTABLISH A BOARD OF ACCOUNTANCY, TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO THOSE PUBLIC ACCOUNTANTS WHO QUALIFY UNDER THE PROVISIONS OF THIS ACT AND TO PROVIDE A PENALTY FOR VIOLATIONS THEREOF.

*The People of the State of Michigan enact:*

SECTION 1. Any person, residing or having a place for the regular transaction of business in the State of Michigan, being over the age of twenty-one years, of good moral character, who shall have received from the Governor of the State of Michigan a certificate of his qualifications to practice as a public accountant, as hereinafter provided, shall be styled and known as a certified public accountant, and no other person shall assume such title or use the abbreviation C. P. A., or any other words, letters, or figures, to indicate that the person using the same is such certified public accountant.



## C. P. A. Laws

SEC. 2. Within thirty days after this act takes effect, the Governor shall appoint three persons to constitute and serve as a Board of Accountancy. Two members of this board first appointed shall be selected by the Governor from a list of names of public accountants who have been practicing in the State of Michigan for a period of at least three years, one of whom shall be appointed for a term ending January first, nineteen hundred eight, and one for a term ending January first, nineteen hundred ten, and upon the expiration of each of said terms and of each succeeding term, a member shall be appointed for a term of three years. *Provided*, that the successors to the first two members who are public accountants shall be selected from the holders of certificates under this act. One member of this board shall be a practicing attorney, in good standing in the courts of the State of Michigan, appointed in the first instance for a term ending January first, nineteen hundred nine, and upon the expiration of said term, and of any succeeding term, a member shall be appointed for a term of three years, such successors to be practicing attorneys in good standing, as hereinbefore mentioned. Any vacancies that may occur from any cause shall be filled by the Governor for the unexpired term under the same conditions that govern regular appointments.

SEC. 3. The Board of Accountancy shall at its first meeting, formulate rules for its own guidance, not inconsistent with the provisions of this act, a copy of which shall be sent to all public accountants in the State. Satisfactory evidence of good moral character shall be required from each applicant for this certificate. Examinations of persons applying for certificates under this act shall be held at least twice each year at such time and places as applications may warrant. The time and place for holding the examination shall be duly advertised at least three consecutive days in a daily newspaper published in Detroit, Grand Rapids, Saginaw, Marquette and Houghton, at least thirty days prior to the date for such examinations, and notice of the same shall be mailed to all holders of certificates under this act as well as applicants. The examination shall cover the following subjects: Theory of accounts, practical accounting, auditing and commercial laws as affecting accountancy. The fees for such examination shall be twenty-five dollars for each applicant, payable to the treasurer of the board at least ten days prior to the holding of the examination. The board may in its discretion, waive the examination of any applicant not later than the year nineteen hundred six, who in addition to the qualifications mentioned in section one, shall have been a practicing public accountant in this State for more than one year prior to the passage of this act. Each applicant for whom examination is waived, shall pay to the treasurer of the board the sum of twenty-five dollars, when recommended to the Governor for a certificate. The board shall maintain a register of the names and addresses of all persons receiving certificates under this act. The members of the board shall receive as compensation for their services ten dollars per day for the time actually spent and the necessary expenses incurred in the discharge of their duties as members of said board, *Provided, however*, That all

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compensation for services and expenses shall not exceed the amounts received as fees from applicants. All bills for expenses and salaries shall be allowed in open meeting of the board and shall be paid from the fees received under the provisions of this act. All money received in excess of payments shall be paid into the State Treasury at the end of each year, and so much thereof as shall be necessary to meet the current expenses of said board shall be subject to the order thereof, if, in any year, the receipts of said board shall not be equal to its expenses. The board shall make an annual report to the Governor, containing a full account of its proceedings, and render an annual financial account to the Board of State Auditors.

SEC. 4. The Governor shall issue certificates to those persons who are recommended to him by the Board of Accountancy as having qualified under provisions of this act. The governor may revoke any certificate for sufficient cause, after written notice to the holder thereof, and a hearing thereon, and shall issue such notice whenever requested to by the board.

SEC. 5. The Board of Accountancy may, in its discretion, register the certificate of any certified public accountant who is the lawful holder of a C. P. A. certificate issued under the law of another state, and may issue to such certified public accountant a certificate of registration, which certificate shall entitle the holder to practice as such certified public accountant, and to use the abbreviation C. P. A. in this State: *Provided*, however, That such other state extends similar privileges to certified public accountants of this State. The regular fee of twenty-five dollars shall be charged for such certificate. Certificates of registration may be canceled in the same manner as section four provides for the revoking of certificates issued under this act.

SEC. 6. If any person shall hold himself out to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant or use the abbreviation C. P. A., or any other letters, words or figures to indicate that the person using the same is such certified public accountant, without having received such certificate or after the same shall have been revoked, he shall be deemed guilty of a misdemeanor, the penalty for which shall be a fine of not less than one hundred dollars nor more than five hundred dollars for each offence or imprisonment in the county jail for a period not exceeding six months.

SEC. 7. Every person having been granted a certificate under the provisions of this act, shall give a five thousand dollar bond to the Secretary of State before entering upon his duties, for the faithful performance of the same.

May 4, 1905.



STATE OF FLORIDA.

Chapter 5425.

(No. 54.)

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND TO PRESCRIBE ITS POWERS AND DUTIES, TO PROVIDE FOR THE EXAMINATION OF QUALIFIED ACCOUNTANTS AND TO PROVIDE A PENALTY FOR VIOLATION OF THIS ACT.

Be it enacted by the Legislature of the State of Florida:

SECTION 1. That any person residing in the State of Florida, being over the age of twenty-one years, of good moral character, being a graduate of a high school with a four years' course of study, or having had an equivalent education, who shall have received from the State Board of Accountancy a certificate of his qualifications to practice as a public expert accountant, as hereinbefore provided, shall be styled and known as a certified public accountant; and no other person shall assume such a title, or use the abbreviation "C. P. A.," or any words or letters to indicate that the person using the same is such certified public accountant.

SEC. 2. The Governor shall within thirty days after the passage and approval of this act, appoint three persons residing in this State, who shall be skilled in the practice of accounting, to constitute and serve as a State Board of Accountancy. The members of such Board shall hold office for three years and until their successors have been appointed and have qualified, except that one of the members of the State Board of Accountancy, first to be appointed under this act shall hold office for one year, and one for two years. Upon expiration of each of said terms, an examiner shall be appointed for the term of three years, and after the years one thousand nine hundred and six the examiners appointed shall be holders of certificates issued under this act.

SEC. 3. The State Board of Accountancy shall make rules which shall be applied uniformly in all examinations held under this act. Said examinations shall be held at least once each year at some accessible place and notice of the time and place of each such examination shall be advertised in three or more papers whose circulation is most general throughout the State. The examinations shall be in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law as affecting Accountancy."

SEC. 4. The State Board of Accountancy shall charge for the examination and certificate provided for in this act, a fee of twenty-five dollars to meet the expenses of such examination. The fee shall be payable by the applicant at the time of filing his application. The State Board of Accountancy shall report annually to the Governor the names of all persons receiving certificates, or whose certificates are registered, or revoked; and the receipts and expenses under this act. Out of the funds collected under this act shall be paid the actual expenses of the State

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Board of Accountancy in conducting such examinations and issuing such certificates, and an amount not exceeding ten dollars a day to each member of said Board for the time actually expended in the pursuance of such duties imposed upon them by this act. Provided, that no expense incurred under this act shall be a charge upon the funds of the State, and provided further, that any funds remaining in the treasury of the Board shall be reported annually to the State Comptroller and paid in to the State Treasury for its benefit of the school fund. Provided, that the charge of each such Certified Public Accountant shall in no case exceed ten dollars per day.

SEC. 5. The State Board of Accountancy may, in its discretion, register the certificate of any Certified Public Accountant who is a lawful holder of a certified public accountant's certificate issued under the law of another State, and may issue to such Certified Public Accountant a certificate of registration, which certificate shall entitle the holder to practice as such Certified Public Accountant and to use the abbreviation "C. P. A." in this State; provided that the State issuing the original certificate grants similar privileges to the Certified Public Accountants of this State. The State Board of Accountancy may charge for such certificate of registration such fee as may be necessary to meet the expenses of such registration.

SEC. 6. The State Board of Accountancy may at its discretion, waive the examination of any person possessing the qualifications mentioned in Section 1 of this act who shall have for more than three years before the passage of this act been practicing in this State on his own account as a public accountant, who shall apply in writing to said Board for such certificate within one year after the passage of this act. The applicant shall pay for such fee as the board in its discretion shall deem fit.

SEC. 7. The State Board of Accountancy may revoke any certificate issued under this act, or may cancel the registration of any certificate registered under this act, for unprofessional cause, provided, that written notice shall have been mailed to the holder of such certificate twenty days before any hearing thereon, stating the cause for any such contemplated action, and appointing a day for a full hearing thereon by the State Board of Accountancy.

SEC. 8. If any person shall represent himself to the public as having received a certificate as provided in this act, or shall assume to practice as a Certified Public Accountant, or use the abbreviation "C. P. A.," or any similar words or letters to indicate that the person using the same is a Certified Public Accountant, without holding a valid certificate issued under the provisions of this act, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined a sum not exceeding two hundred (\$200) dollars for each conviction, or shall be imprisoned not exceeding six months.

SEC. 9. In every case of conviction under this act, whether by plea of guilty or otherwise, the costs of prosecution shall be taxed against the defendant.

SEC. 10. This act shall become a law immediately upon its approval by the governor.

Approved June 5, 1905.



STATE OF RHODE ISLAND.  
AND PROVIDENCE PLANTATIONS.

Chapter 1370.

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY  
AND TO REGULATE THE BUSINESS OF CERTIFIED PUBLIC ACCOUNTANTS.

*It is enacted by the General Assembly as follows:*

SECTION 1. It shall be unlawful for any person to practice as a certified public accountant in this state unless he shall have first obtained a certificate of registration as provided in this act. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, having a place for the regular transaction of business as a professional accountant in this state, being over the age of twenty-one years, of good moral character, who shall have received as hereinafter provided in this act a certificate of his qualifications to practice as a certified public accountant, shall be deemed and known as a certified public accountant under the provisions of this act; and no person, unless he has received a certificate under the provisions of this act, shall advertise or in any manner use such name of certified public accountant, or the abbreviation "C. P. A.," or any other words or letters, or any imitation thereof, tending to indicate that the persons so advertising or using the same is such certified public accountant.

SEC. 2. A board of examiners, to be known as the state board of accountancy, is hereby created to carry out the purposes and enforce the provisions of this act. The members of said board, when appointed, shall be citizens of this state and skilled in the practice of accounting, and when appointed shall have been actively engaged therein on their own account in this state for not less than the three years next preceding the date of their appointment. At the present session of the general assembly the governor, with the advice and consent of the senate, shall appoint one member of said board to hold office until the first day of February, A. D. 1907; one member of said board to hold office until the first day of February, A. D. 1908; and one member of said board to hold office until the first day of February, A. D. 1909. At the January session of the general assembly, A. D. 1907, and at the January session of the general assembly in every year thereafter, the governor, with the advice and consent of the senate, shall appoint one member of said board; who when appointed shall be a certified public accountant, to hold office until the first day of February in the third year after his appointment, to succeed the member of such board whose term will next expire: *Provided*, that any vacancy which may occur in said board when the senate is not in session shall be filled by the governor until the next session thereof, when he shall, with the advice and consent of the senate, appoint some person, who when appointed shall be a certified public accountant, to fill such

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vacancy for the remainder of the term. The members of said board may be removed by the governor, for such cause as he shall deem sufficient and shall express in the order of removal. Each member of said board, unless he resigns or is removed, shall hold office until the appointment and qualification of his successor. Each member of said board shall give a bond in the sum of one thousand dollars, with surety or sureties, to be approved by the general treasurer, conditioned for the faithful performance of his duties, and shall take the oath provided by law for public officers.

SEC. 3. Said state board of accountancy shall organize, as soon as may be after their appointment and qualification, by electing one of their members chairman and one of their members secretary and one of their members treasurer (except that said board may elect the same member secretary and treasurer; such organization shall continue until the appointment and qualification of any new member of said board of examiners, except in case of a vacancy in any office, when such vacancy may be filled forthwith. The secretary of said board shall keep a record of all its proceedings, issue all notices and certificates, and attest all such papers and orders as said board shall direct; and the secretary shall perform such other duties as shall be designated by said board.

SEC. 4. Said board shall have power to adopt rules and regulations for conducting examinations to be held under this act. Said examinations shall be held at least once a year in the city of Providence, and elsewhere in the discretion of said board. Such examinations shall be held upon the theory of accounts, practical accounting, auditing, commercial law as affecting accountancy, and such other subjects as said board may determine. Such board shall issue to each applicant passing a satisfactory examination a certificate entitling such person to practice in this state, as a certified public accountant, until such certificate shall be revoked as hereinafter provided in this act. Said board shall keep a register in which shall be entered the names of all the persons to whom certificates are issued under this act, and said register shall be open at all times to public inspection at the office of the secretary of said board.

SEC. 5. Said board shall charge for the examination and certificate provided for in this act a fee of twenty-five dollars, payable by said applicant at the time of filing his application. In case of the failure on part of any applicant to attend the examination at the date specified by said board or to pass a satisfactory examination, said applicant may, at the discretion of said board, appear at the next annual examination of said board for re-examination upon the payment of the further sum of fifteen dollars.

SEC. 6. The actual expenses of said board shall be paid out of the funds received from applicants for examinations: *Provided*, that in no event shall such expenses be a charge against the state. No member of said board shall receive any compensation for his services, but he shall



be entitled to receive from the funds in the hands of said board his actual expenses incurred in the discharge of his duties under this act.

SEC. 7. Said board shall present annually to the general assembly in the month of January a detailed statement of the receipts and disbursements of said board during the preceding year, with a statement of its acts and proceedings, and such recommendation as said board may deem proper. Any moneys in the hands of the treasurer of said board at the time of making such report shall then be paid over to the general treasurer.

SEC. 8. Said board may, in its discretion, register the certificate of any certified public accountant who is the lawful holder of such certificate issued under the laws of any other state, territory, District of Columbia, or government, and may issue to such certified public accountant a certificate of registration, which certificate shall entitle the holder thereof to practice as such certified public accountant under the provisions of this act in this state: *Provided*, that such other state, territory, government or the District of Columbia extends similar privileges to certified public accountants of this state. Said board shall charge for such certificate of registration a fee of fifteen dollars.

SEC. 9. Said board, by a majority vote thereof, may, in its discretion, waive the examination of any person possessing the qualifications mentioned in this act who, for more than three years preceding the passage of this act, shall have practiced in this state on his own account as a public accountant, and who shall apply in writing to said board for such certificate within six months after the passage of this act. Said board may charge for such certificate of registration a fee not exceeding fifteen dollars. Said board shall have power to revoke any certificate of registration, granted by it under this act, for gross incompetency, for unprofessional conduct, or for other cause sufficient in the judgment of said board: *Provided*, that before any certificate shall be so revoked the holder thereof shall have notice in writing of the charge or charges against him and shall have reasonable opportunity to be heard in his defense. Any person whose certificate has been so revoked may apply to have the same reissued, and the same shall be issued to him upon a satisfactory showing that such disqualification has ceased. Said board shall have power by its chairman to summon any person to appear as a witness and testify at any hearing by said board under the provisions of this act, and to examine and to administer oaths to such witnesses. Any person aggrieved by any decision or ruling of said board may, within thirty days, exclusive of Sundays and holidays, after receiving notice of said decision, appeal therefrom to the Superior Court sitting at Providence, and said Superior Court shall, as soon as may be, hear and determine said appeal, following the course of equity, and subject to all the rights of parties in such cases.

SEC. 10. Nothing in this act shall prohibit any person from serving as a student, clerk, or employee in the office of any certified public accountant: *Provided*, such student, clerk, or employee shall first file with

the secretary of said board a statement in writing, showing the name and place of business of his employer, and the date of the beginning of such employment, and the full name, age, and residence, of such student, clerk, or employee. So such student, clerk, or employee, shall be authorized to certify accounts or to advertise or hold himself out to the public as a certified public accountant.

SEC. 11. Any person practicing the occupation of certified public accountant, or using the abbreviation "C. P. A.," or similar words or letters indicating that the person using the same is a certified public accountant, or representing himself to the public as having received the certificate provided in this act, without having received such certificate as provided in this act, or any person so representing himself as having received such certificate or practicing as aforesaid after his certificate has been revoked as provided in this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding two hundred dollars for each offense, and upon a subsequent conviction shall be punished by a fine of not less than two hundred dollars nor more than five hundred dollars, or by punishment not exceeding six months, or both, in the discretion of the Court.

SEC. 12. This act shall take effect upon its passage.  
April 20, 1906.

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## STATE OF UTAH.

### Chapter 86.

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION AND ISSUANCE OF CERTIFICATES TO QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT, AND TO PROVIDE THE GRADE OF PENALTY FOR VIOLATION OF THE PROVISIONS HEREOF.

*Be it enacted by the Legislature of the State of Utah:*

SECTION 1. *Board created.—Shall take oath of office.—Term.—Vacancies.*—Within sixty days after the passage of this act the governor shall appoint three persons, at least two of whom shall be competent and skilled public accountants, who shall have been in practice as such in this State for not less than three years, to constitute and serve as a State Board of Accountancy. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the laws of the State of Utah, and file the same with the Secretary of State. They shall hold office for four years and until their successors are appointed and qualified; save and except that one of the members of the board first to be appointed under this act shall hold office for two



years, and two for four years. Upon the expiration of each of said terms, members sufficient to fill the board shall be appointed by the Governor, for the term of four years and until their successors are appointed and qualified; and after the year one thousand nine hundred and ten, the members of the board shall be appointed from the holders of certificates issued under this act. Any vacancy that may occur, from any cause, shall be filled by the Governor for the unexpired term.

SEC. 2. *Location of Office.—Duties of Board.*—The State Board of Accountancy shall have its office in the City and county of Salt Lake, and its powers and duties shall be as follows:

1. To formulate rules for the government of the board and for the examination of and granting of certificates of qualification to persons applying therefor;

2. To hold written examinations of applicants for such certificates, at least annually, at such places as circumstances and applications may warrant;

3. To grant certificates of qualifications to such applicants as may, upon the examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," as affecting accountancy, to practice as certified public accountants;

4. To charge and collect from all applicants a fee, of twenty-five dollars, to meet the expenses of examination, issuance of certificates and conducting its office; provided that all such expenses, including not exceeding ten dollars per day for each member while attending a session of the board of conducting examinations, must be paid from the current receipts, and no portion shall ever be paid from the State Treasury.

5. To require the annual renewal of all such certificates, and to collect therefor a renewal fee of not exceeding five dollars;

6. To revoke for cause any such certificate, after written notice to the holder, and a hearing being had thereon;

7. To report annually to the Governor, on or before the first day of December, all such certificates issued or renewed, together with a detailed statements of receipts and disbursements; provided, that any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the expenses thereof;

8. The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing the qualifications mentioned in Section 3, who shall have been for more than two years prior to the passage of this act practicing in this state as public accountants on their own account, and who shall, in writing, apply for such certificate within one year thereafter.

SEC. 3. *Qualifications.—Certificate.*—Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business as a public accountant in this state,

being over the age of twenty-one years and good moral character, may apply to the State Board of Accountancy for examination under its rules, and if found qualified the board shall issue to him a certificate of qualification to practice as a certified accountant and upon the issuance and receipt of such certificate, and during the period of its existence, or of any renewal thereof, he shall be styled and known as a certified public accountant or expert of accounts, and no other person shall be permitted to assume the use of such title or to use any words, letters or figures to indicate that the person using the same is a certified public accountant.

SEC. 4. *Penalty.*—If any person shall represent himself to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant, or using the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received such C. P. A. certificate as provided in this act, or if any person having received any such certificate and having thereafter lost it by revocation or by failure to renew the same, as herein provided, shall continue to practice as a certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined a sum not exceeding two hundred dollars (\$200) for each such offense.

SEC. 5. This act shall take effect upon approval.

Approved this 14th day of March, 1907.

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## STATE OF COLORADO.

### AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND TO REGULATE PUBLIC ACCOUNTANTS.

*Be it enacted by the General Assembly of the State of Colorado:*

SECTION 1. Within thirty days after the passage of this act, the Governor shall appoint three persons to constitute a State Board of Accountancy. The members of said Board shall be persons skilled in the knowledge and practice of accounting and actively engaged as professional accountants within the State of Colorado.

SEC. 2. The members of such board shall hold office for three years or until their successors are appointed and have qualified, except that of the members first appointed under this act, one shall hold office for one year, one for two years and one for three years. The term of office of each to be designated by the Governor in his appointment. Upon the expiration of each of said terms a member shall be appointed by the Governor for the term of three years, and after the thirty-first day of December, 1907, the members of said board shall be appointed from among the holders of certificates issued under this act.



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SEC. 3. The board shall determine the qualifications of persons applying for certificates under this act, and make rules for the examination of applicants and the issue of certificates herein provided for.

SEC. 4. The board shall organize by the election of one of its members as president, one member as secretary and one member as treasurer; provided, however, that the office of secretary and treasurer may be held by one person.

SEC. 5. The treasurer shall give bond to the state in such sum as may be determined by the board.

SEC. 6. The board shall keep a complete record of all its proceedings, and shall annually submit a full report to the Governor.

SEC. 7. The board shall grant certificates of qualification to such applicants as may, upon examination, be qualified in "theoretical" and "practical" accounting, "commercial law" as affecting accountancy, and in such other subjects as the board may deem advisable.

A majority of the board shall constitute a quorum, and the vote of two members shall be considered as the action of the board.

SEC. 8. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, over the age of twenty-one years, of good moral character, being a graduate of a high school or having had an equivalent education who has had at least three years' experience in the practice of accounting, and has passed a satisfactory examination as herein provided, shall be entitled to a certificate as public accountant, and shall be styled and known as a certified public accountant.

SEC. 9. The examinations shall be held as often as may be necessary in the opinion of the board, and at such times and places as it may designate, but not less frequently than once in each calendar year.

SEC. 10. The Board shall charge for each examination and certificate provided for in this act, a fee of twenty-five dollars (\$25). This fee shall be payable to the treasurer of the board by the applicant at the time of filing of application. In no case shall the examination fee be refunded, but said applicant may be re-examined within eighteen months from the date of his application without payment of an additional fee.

SEC. 11. The members of the board to be appointed under the provisions of this act shall be paid for the time actually expended in the pursuance of the duties imposed upon them by this act, an amount not exceeding ten dollars (\$10) per day, and they shall also be entitled to necessary traveling expenses.

SEC. 12. From the fees collected, the board shall pay all expenses incident to the examinations to be held under this act, the expenses of preparing and issuing certificates, the traveling expenses of examiners, and their compensation while performing their duties under this act, provided, that no expense incurred under this act shall be a charge against the state. Any surplus arising shall at the end of each year be deposited

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by the treasurer of the board, with the state treasurer to the credit of the general fund.

SEC. 13. Any person who files his application within six months after the organization of the board, and is at the time of filing said application a public accountant and has practiced as such for at least three years next preceding the date of his application, the last year of which has been in the State of Colorado, shall file with his application proof of said facts. The board shall consider said proofs and such other evidence as may be procured, and if it be satisfied that the statements contained in said application and proofs are true, and that the applicant is of good moral character, the board shall accept said proofs and evidence in lieu of an examination, and shall grant said applicant a certificate.

SEC. 14. Any citizen of the United States or person who has declared his intention of becoming such citizen, over twenty-one (21) years of age, of good moral character, and who has complied with the rules and regulations of the Board pertaining to such cases, and who holds a valid and unrevoked certificate as a certified public accountant, or the equivalent thereof, issued by or under the authority of any other State of the United States, or of the United States, or the District of Columbia, or any Territory of the United States, or by or under the authority of a foreign nation, when the board shall be satisfied that their standards and requirements for a certificate as a certified public accountant are substantially equivalent to those established by this act, may at the discretion of the board receive a certificate as a certified public accountant, and such person may thereafter practice as a certified public accountant and assume and use the name, title and style of "Certified Public Accountant" or any abbreviation or abbreviations thereof, in the State of Colorado, provided, however, that such other state or nation extends similar privileges to Certified Public Accountants of the State of Colorado.

SEC. 15. The board may revoke any certificate issued under this act for sufficient cause, provided that written notice shall have been mailed to the holder of such certificate at his last known address at least twenty days before any hearing thereon, stating the cause of such contemplated action, and appointing a time for a hearing thereon by the Board; and, provided further, that no certificate issued under this act shall be revoked until such hearing shall have been had. At all such hearings the attorney general of the state or one of his assistants designated by him shall sit with the board with all the powers and pay of a member thereof.

SEC. 16. If any person shall represent himself as having received a certificate as provided in this act, or shall practice as a certified public accountant, or use the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is qualified to practice in this state as a certified public accountant, without having received such certificate as provided for by this act, or if any person having received a certificate as provided for in this act, and having thereafter lost such certificate by revocation as herein provided, shall practice as a



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certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than fifty dollars (\$50) and not exceeding two hundred dollars (\$200) for each offense.

SEC. 17. Nothing herein contained shall be construed to restrict or limit the power or authority of any state, county, or municipal officer or appointee engaged in or upon the examination of the accounts of any public officer, his employees or appointees.

SEC. 18. In the opinion of the General Assembly an emergency exists; therefore, this act shall take effect and be in force from and after its passage.

R. G. BRECKENRIDGE,  
*Speaker of the House of Representatives.*

E. R. HARPER,  
*President of the Senate.*

HENRY A. BUCHTEL,  
*Governor of the State of Colorado.*

Approved March 27, 1907, at 3:33 p. m.

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## STATE OF CONNECTICUT.

Copy of an act of the legislature. Chapter 202, page 753, laws of 1907. Approved by Gov. Rollin S. Woodruff, July 11, 1907, creating Connecticut State Board of Accountancy.

*Be it enacted by the Senate and House of Representatives in General Assembly convened:*

SECTION 1. There is hereby established a state board of accountancy, to consist of three members. Within thirty days after the passage of this act the governor shall appoint as members of said board, two persons skilled in the practice of accounting and one attorney-at-law, one for a term ending January 1, 1908, one for a term ending January 1, 1909, and one for a term ending January 1, 1910, and thereafter as said terms of office respectively expire, and triennially thereafter, the governor shall appoint, from the holders of the certificate hereinafter provided for in this act, one member of said board to serve for a term of three years and until his successor is appointed and qualified. The governor shall have power to fill any vacancy occurring in the membership of said board, and may remove any member, for cause, after due notice and hearing. The members of said board, before entering upon the discharge of their duties, shall take an oath before some proper authority for the faithful performance of said duties.

SEC. 2. At the first meeting of said board, which shall be held at the capitol in Hartford, on the second Wednesday in August, 1907, and at the annual meeting, which shall be held on the second Wednesday in June in

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each year thereafter, the members shall elect from their number a president, a secretary, and a treasurer; the offices of secretary and treasurer may be held by the same person. Said board may adopt a seal, and may adopt such by-laws, rules, and regulations for the transaction of the business of the board and the government of its affairs, not inconsistent with the laws of this state and of the United States, as it may deem expedient and may amend, modify or repeal any such by-law, rule or regulation. Two members shall constitute a quorum for the transaction of business, and special meetings shall be called upon request of any two members. The members of the board shall receive for their services ten dollars per day and their necessary expenses while engaged in the discharge of their official duties, such payments to be made by the treasurer of the board from the fees hereinafter provided. During the month of January of each year the treasurer shall file with the treasurer of the state an itemized account of the receipts and expenditures of the board, and shall pay to the state any unexpended balance in his hands not required for the proper transaction of the business of the board.

SEC. 3. At a meeting of said board, to be held on or before October 1, 1907, at the annual meeting hereinbefore provided for, and at such special meetings as the board shall deem necessary to hold for the purpose, public notice of which shall be given at least fifteen days prior to any such meeting in such manner as the board shall determine, said board shall examine all eligible applicants for a certificate as a certified public accountant. Every eligible applicant shall be examined in the theory of accounts, practical accounting, auditing, commercial law, and such other related subjects as the board shall deem necessary. Any person shall be eligible to take such examination who is a citizen of the United States, residing or having a place for the regular transaction of business in the State of Connecticut, who is over twenty-one years of age, of good moral character, and a graduate of a high school with a four years' course, or, in the discretion of the board, has had an equivalent education, who shall have been regularly employed as a bookkeeper for a period of not less than two years, and who shall have had such training and experience in the art of public accounting as the board, by its rules and regulations, shall prescribe. All applications for examination shall be in writing and upon such forms as the board shall provide, and shall be accompanied by a fee of twenty-five dollars, to be paid at the time the application is filed.

SEC. 4. Whenever any person shall have passed the examination herein prescribed the president of the board shall certify such fact to the governor, and the governor shall thereupon sign and issue to such successful applicant a certificate prepared by the board, in which the applicant shall be given the right to be known and designated as a certified public accountant, and to use said title in full or the initials "C. P. A." as said certificate shall prescribe.

SEC. 5. Any person holding a certificate as a certified public accountant granted under the laws of another state, and who has had at least



five years' experience as a public accountant, and who has practiced in this state on his own account for one year or more, providing the state issuing such original certificate grants a similar privilege to the certified public accountants of this state, and any person twenty-one years of age or over, of good moral character, applying for a certificate as a certified public accountant within ninety days from and after the passage of this act, and who shall, by affidavit or otherwise, show to the satisfaction of the board that he has had at least two years' instruction in the office of or by a reputable accountant in active practice in this state, and has been engaged in the practice of public accountancy in this state for at least one year, or has had such other experience as said board shall find to be equivalent thereto shall upon the payment to the board of a fee of ten dollars, and upon the recommendation of the board, receive from the governor the certificate as a certified public accountant provided for in this act, without an examination.

SEC. 6. Any person who shall advertise or issue any sign, card, or any other indication designating himself as a certified public accountant, or who shall assume the title of certified public accountant, or use the abbreviation "C. P. A." or any other words, letters or figures to indicate or represent that he is a certified public accountant, without having received a certificate in accordance with the provisions of this act, or who shall issue any such sign, card, or other indication, or assume such title or abbreviation after any certificate authorizing such use by him has been revoked, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than five hundred dollars.

SEC. 7. This act shall take effect from its passage.

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## STATE OF GEORGIA.

### AN ACT TO ESTABLISH A BOARD FOR THE EXAMINATION OF ACCOUNTANTS AND TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS AND TO PROVIDE A PUNISHMENT FOR THE VIOLATION OF THIS ACT.

SECTION 1. Be it enacted, by the senate and house of representatives of the Commonwealth of Georgia in general assembly met, and it is hereby enacted by the authority of the same. That any citizen of the United States residing and having an office for the regular transaction of business in the State of Georgia, being over the age of twenty-one years, and of good moral character, and who will have received from the Governor of the State of Georgia a certificate of his qualification to practice as a public expert accountant as hereinafter provided, shall be designated and known as a certified public accountant, and no other person shall assume such title or use the abbreviation C. P. A. or any other words, letters, or figures to indicate that the person using the same is such certified public accountant. Every person holding such certificate and every

co-partnership of accountants, every member of which shall hold such certificate may assume and use the title of certified public accountant or the abbreviation thereof C. P. A., provided that no other person or co-partnership shall use such title or abbreviation, or other words, letters, or figures, to indicate that the person or co-partnership using the same is such certified public accountant.

SEC. 2. The governor of the State of Georgia shall appoint a board of three examiners for the examination of persons applying for certification under this act. Two of said examiners shall be public accountants who shall have been in practice for at least five years, one of whom shall be appointed for the term of two years, and one for the term of three years, and upon the expiration of each of said terms an examiner shall be appointed for the term of three years and after the year one thousand nine hundred and eight, these two examiners shall be certified public accountants. The other examiner shall be a practicing attorney in good standing in any of the courts of the State of Georgia, who shall be appointed for the term of two years, and upon the expiration of said term, a successor shall be appointed for the term of three years. The examination for certificates shall be based upon an examination in theory of accounts, practical accounting, auditing, commercial arithmetic, and commercial law. Said examinations shall take place twice a year in the City of Atlanta, during the months of May and November of each year, under such rules and regulations as may be adopted by the board. The fees provided by this act shall be twenty-five dollars for each applicant, from which shall be paid the expenses incident to each examination, including stationery, clerk hire, and traveling expenses of the examining board. The results of such examinations shall be certified to the governor, and filed in the office of the secretary of state, and kept for reference and inspection for a period of not less than five years, and the governor to issue the certificate.

SEC. 3. The governor of the State of Georgia may revoke any such certificate for sufficient cause upon the recommendation of the board of examiners, who shall give written notice to the holder thereof, and after he has had a hearing thereon.

SEC. 4. The board of examiners may in its discretion waive the examination of any person who shall have been for the three years immediately preceding the passage of this act practicing in the State of Georgia or a sister state as a public accountant, who shall apply in writing for such certificate within three months after the passage of this act.

SEC. 5. If any person shall hold himself out as having received the certificate provided for in this act or shall assume to practice thereunder as a certified public accountant or use the initials C. P. A. without having received such certificate, or after the same shall have been revoked, he shall be deemed guilty of misdemeanor, and upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars, nor less than two hundred dollars.



STATE OF LOUISIANA.

Senate Bill No. 36.

AN ACT TO REGULATE THE PRACTICE OF PUBLIC ACCOUNTING BY ESTABLISHING A STATE BOARD OF ACCOUNTANTS, FIXING ITS FEES AND EMOLUMENTS; TO PROHIBIT THE UNLAWFUL USE OF WORDS, LETTERS, OR OTHER MEANS OF IDENTIFICATION, BY UNAUTHORIZED PERSONS, AS CERTIFIED PUBLIC ACCOUNTANTS UNDER THIS ACT AND TO PROVIDE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

SECTION 1. Be it enacted by the general assembly of the State of Louisiana, that any citizen of the United States, residing or having a place for the regular transaction of business in the State of Louisiana, being over the age of twenty-one years, of good moral character, and who shall have received from the Louisiana State Board of Accountants a certificate of his qualifications to practice as an expert public accountant, as hereinafter provided, shall be styled and known as a certified public accountant, and it shall be unlawful for any other person or persons to assume such title or use any letters, abbreviations or words to indicate that the one using same is a certified public accountant.

SEC. 2. Be it further enacted, etc., that within sixty (60) days after the passage of this act, the Governor of the State of Louisiana, shall appoint three persons who shall be skilled in the practice of accounting and actively engaged therein in this state, one for a term of two (2) years, one for a term of four (4) years, and one for a term of six (6) years; said members to establish and constitute the Louisiana State Board of Accountants. A member of said board shall be appointed bi-annually thereafter by the governor to serve a term of six years, or until such time as his successor has qualified. All vacancies created by death, resignation or otherwise, shall be filled by the governor for the unexpired term. The members of the Louisiana State Board of Accountants, the first board excepted, shall be appointed from the holders of certificates issued under and by virtue of this act. Within thirty (30) days after their appointment, the members of said board shall take an oath, before any person authorized to administer oaths in this state, to faithfully and impartially perform their duties, and same shall be filed with the secretary of state.

SEC. 3. Be it further enacted, etc., That the Louisiana State Board of Accountants is hereby authorized and empowered to adopt and enforce all necessary rules, regulations, by-laws, etc., to govern its proceedings, and to regulate the mode of conducting examinations, to be held under this act, provided said examinations shall be held at least once a year. The examinations shall cover a knowledge of the "Theory of Accounts," "Practical Accounting," "Auditing," "Commercial Law as Affecting Accountancy," and such other branches of knowledge as the board may

deem necessary to maintain the highest standard of proficiency in the profession of public accounting. The Board shall have power to issue certificates under their official seal and signatures as provided by this act.

SEC. 4. Be it further enacted, etc., That the Louisiana State Board of Accountants shall be authorized to charge each applicant for a certificate a fee not to exceed twenty-five dollars (\$25), same to be paid when the application is filed, except that the fee for each application filed within ninety (90) days after the passage of this act, shall not exceed ten dollars (\$10). Out of the funds collected under this act shall be paid the expenses of the Louisiana State Board of Accountants, including mileage, and an amount not exceeding fifteen dollars (\$15) per day, for the time expended in conducting examinations and issuing certificates, provided, no expenses incurred by said Board shall ever be charged to the funds of the state.

SEC. 5. Be it further enacted, etc., That the Louisiana State Board of Accountants, may in its discretion, register the certificates of any certified public accountant, who is the lawful holder of a certified public accountant's certificate issued under the law of another state, and may issue to such certified public accountant a certificate which shall entitle the holder to practice as such certified public accountant, and to use the abbreviation "C. P. A." in this state provided, that the state issuing the original certificate grants similar privileges to the certified public accountants of this state. The fee for such registration shall not exceed twenty-five dollars (\$25).

SEC. 6. Be it further enacted, etc., That the Louisiana State Board of Accountants shall waive the examination of any person possessing the qualifications mentioned in Section 1 of this act; first, for not less than five years has been actively employed as an accountant or bookkeeper, who shall apply in writing to the board for such certificate, provided, that said application be accompanied by an affidavit before any notary public or justice of the peace, giving the name or names of the firms or corporations by whom he has been employed for the past five years, and provided said application be filed within ninety (90) days after the passage of this act, or who, second, for more than three consecutive years before the passage of this act shall have been practicing in this state, on his own account, as a public accountant, and who shall apply in writing to the board for such certificate within ninety (90) days after the passage of this act.

SEC.

SEC. 7. Be it further enacted, etc., That the Louisiana State Board of Accountants may revoke any certificate issued under this act, or may cancel the registration of any certificate registered under this act, for the unprofessional conduct of the holder of such certificate, or for other cause, provided, that written notice shall have been mailed to the holder of such certificate twenty (20) days before any hearing thereon, stating the cause for such contemplated action and appointing a day for full hearing thereon by the Louisiana State Board of Accountants, and pro-



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vided further, that no certificates issued under this act shall be revoked until such hearing shall have been held.

SEC. 8. Be it further enacted, etc., That if any person shall represent himself to the public as having a certificate as provided in this act, or shall assume to practice as a certified public accountant, or use the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received a registration certificate, as provided in this act, or if any person having received a certificate as provided in this act, and having thereafter lost such certificate by revocation, as provided in Section 7, shall continue to practice as a certified public accountant, he shall be deemed guilty of a misdemeanor and upon conviction thereon shall be fined not less than one hundred dollars (\$100) or sentenced to serve three (3) months in jail for each offense.

SEC. 9. Be it further enacted, etc., That all laws or parts of laws in conflict with the same are hereby repealed.

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## STATE OF OHIO.

Approved by the Governor, May 9th, 1908.

### AN ACT TO ESTABLISH AN OHIO STATE BOARD OF ACCOUNTANCY FOR THE REGULATION OF THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANCY.

Be it enacted by the general assembly of the State of Ohio:

SECTION 1. That any citizen of the United States or person who has duly declared his intention of becoming such citizen, being over the age of twenty-one years, of good moral character, a graduate of a high school, or having received an equivalent education, who has at least three years' experience in the practice of accounting, and who shall have received from the state board of accountancy, as hereinafter provided, a certificate of his qualifications to practice as a public expert accountant, shall be styled and known as a certified public accountant, and no other person or persons shall assume such title or use the abbreviation "C. P. A." or any other word or letters to indicate that the person using the same is a certified public accountant.

SEC. 2. On or before the first day of July, one thousand nine hundred and eight, the governor shall appoint three persons, not more than two of whom shall belong to the same political party, to constitute and serve as a state board of accountancy. The members of such board shall be persons skilled in the knowledge and practice of accounting and actively engaged as professional public accountants, within the State of Ohio. One member of such board shall be appointed for one year, one member

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for two years, and one member for three years, and upon the expiration of their respective terms their successors shall be appointed for a term of three years. In case of a vacancy, caused by resignation or otherwise the governor shall fill such vacancy by appointment for the unexpired term. Immediately upon the appointment the Board shall organize by choosing one of its number as president and one as a secretary, and treasurer. The secretary and treasurer shall give bond in such sum as the board may determine. The board shall keep a complete record of all its proceedings.

SEC. 3. An examination in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law as Affecting Accountancy," for applicants for such certificates, shall be held annually, but, if not less than five months after the annual examination, three or more persons apply to the board for certificates, the board shall hold an examination for such applicants. The time and place of each examination shall be fixed by the board.

SEC. 4. The board shall charge for the examination and certificate provided for in this act, a fee of twenty-five dollars. Such fee shall be paid to the treasurer of the board at the time of filing the application. In no case shall the examination fee be refunded, but an applicant may be re-examined within eighteen months from the date of his application without the payment of an additional fee. From the fees collected as herein provided, the Board shall pay all expenses incident to such examinations, the expenses of preparing and issuing certificates, and to each member of the board, for the time actually expended in performing his duties, a sum not exceeding five dollars per day, and his necessary traveling expenses. But in no case shall the expenses incurred by the board or the compensation or traveling expense of the members thereof, be a charge against any fund of the state.

SEC. 5. Any person who files his application within six months after the organization of the board, and is at the time of filing such application a public accountant, and has practiced the profession of Public Accounting for at least three years, shall file with his application proof of such facts and proof that his general and special education is at least equal to the standard prescribed by this act. If the board shall be satisfied that the statements contained in such application and proofs are true and that the applicant possesses the general and special education required by the standard herein prescribed, it shall issue to the applicant a certificate as a certified public accountant without further examination.

SEC. 6. Any person who is a citizen of the United States or has declared his intention of becoming such citizen, over twenty-one (21) years of age, of good moral character, and who has complied with the rules and regulations of the Board and who holds a valid and unrevoked certificate of another state, or of the United States, or of the District of Columbia, or any territory of the United States, or by or under the authority of a foreign nation, when the board shall be satisfied that their standards and



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requirements for a certificate as a certified public accountant are substantially equivalent to those established by this act, shall receive from the board a certificate as a "Certified Public Accountant," and such person may thereafter practice as a "Certified Public Accountant," and assume and use the name, title, and style of certified public accountant, or any abbreviation or abbreviations thereof, in the State of Ohio.

SEC. 7. The State Board of Accountancy may revoke any certificate issued under this act for sufficient cause, provided, that written notice shall have been mailed to the holder of such certificate at his last known address at least twenty days before any hearing thereon, stating the cause of such contemplated action, and appointing a time for a hearing thereon by the board and provided, further, that no certificate issued under this act shall be revoked until such hearing shall have been held.

SEC. 8. If any person shall represent himself as having received a certificate as provided in this act, or shall practice as a certified public accountant or use the abbreviations "C. P. A." or any other similar words or letters to indicate that the person using the same is qualified to practice in this state as a certified public accountant without having received such certificate as provided for by this act, or if any person having received a certificate as provided in this act, and having thereafter lost such certificate by revocation as herein provided, shall continue to practice as a public accountant, he shall be fined not less than ten dollars (\$10.00) and not exceeding one hundred dollars (\$100.00) for each offense.

SEC. 9. Nothing herein contained shall be construed so as to prevent any person from being employed as a public accountant within this state.

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**MASSACHUSETTS REGISTRATION ACT.**

(Chapter 399, Acts of 1909).

**AN ACT TO PROVIDE FOR THE REGISTRATION OF PUBLIC ACCOUNTANTS.**

*Be it Enacted, Etc., as Follows:*

SECTION 1. The bank commissioner shall have charge of the registration of public accountants, shall make such rules as are necessary to carry out the provisions of this act, and shall keep a record of all certificates issued hereunder, a duplicate of which shall be open to inspection in the office of the secretary of the commonwealth.

SEC. 2. The said commissioner shall examine any citizen of the United States, resident in the commonwealth, and not less than twenty-one years of age, who may apply for such a certificate, shall investigate his char-

acter and fitness and shall require the payment of such a reasonable and fixed fee, not exceeding twenty-five dollars for each certificate, as may be necessary in his opinion to carry out the provisions of this act.

SEC. 3. Any applicant whom said commissioner deems to have the necessary qualifications and professional ability shall be registered as a public accountant, and shall receive a certificate thereof, good for one year from its date. Said certificate may be renewed from year to year upon the payment of five dollars for each renewal. Said commissioner shall have power, after notice and a hearing, to suspend or revoke for good cause any certificate issued by him.

SEC. 4. Any person who falsely represents himself to be a public accountant, registered under the provisions of this act, shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding five hundred dollars, or by imprisonment for a term not exceeding six months, or by both such fine and imprisonment.

SEC. 5. This act shall take effect on the first day of October in the year nineteen hundred and nine.

(Approved May 17, 1909.)

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## AN ACT CREATING.

### The Minnesota State Board of Accountancy.

#### Chapter 439—S. F. No. 472.

AN ACT CREATING A STATE BOARD OF ACCOUNTANCY, PRESCRIBING ITS POWERS AND DUTIES, PROVIDING FOR EXAMINATIONS AND ISSUING OF CERTIFICATES TO QUALIFIED PUBLIC ACCOUNTANTS, AND PROVIDING PENALTIES FOR VIOLATIONS OF THE PROVISIONS OF THIS ACT.

*Be it Enacted by the Legislature of the State of Minnesota:*

STATE BOARD OF ACCOUNTANCY—TO BE APPOINTED BY THE GOVERNOR.

SECTION 1. That a board of examiners, to be known as the State Board of Accountancy, is hereby created to carry out the purposes and enforce the provisions of this act. Said board shall consist of three citizens of this state to be appointed by the governor and who, with the exception of the members first to be appointed, shall be the holders of certificates issued under the provisions of this act and shall hold office for the term of three years and until their successors are appointed and qualified.

The first members of said board shall be skilled in the practice of accounting and shall for a period of three years next preceding their



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appointment have been actively engaged therein, in this state, on their own account, and shall hold office, one for the term of three years from the date of his appointment, one for the term of two years, and one for the term of one year. The term of office of each is to be designated by the governor in his appointment, and upon expiration of each term of its members the governor shall appoint one member of said board as herein provided for a term of three years.

### ORGANIZATION AND DUTIES.

SEC. 2. The persons appointed as members of this board shall meet and organize within thirty (30) days after their appointment. A majority of said board shall constitute a quorum. They shall appoint one of their number as a chairman, another as a secretary, and another as treasurer, or may appoint one member to serve as both secretary and treasurer, and said officers shall hold their respective offices for a term of one year and until their successors are elected. In the absence of the chairman or secretary, the board may appoint a chairman pro tem., or a temporary secretary. The affirmative vote of two members of said board shall be considered as the action of said board.

Said board shall enforce the standard of special education in the science and art of accounting; the standard of moral character and general public experience as prescribed in this act in all examinations conducted hereunder.

The board shall make rules and regulations for the conduct of applicants' examinations and the character of such examinations and scope, the method and time of filing applications for examinations and their form and contents and all other rules and regulations proper to carry into effect the purposes of this act.

All such examinations shall be conducted by said State Board of Accountancy. The time and place of holding examinations shall be advertised for not less than three (3) consecutive days in one daily newspaper, published in each of the counties where the examinations are to be held, and not less than twenty (20) days prior to the date of each examination. The examinations shall take place as often as may be convenient in the opinion of the board, but not less than once in each year. Said board shall keep records of their proceedings, an accurate list of all applications made, certificates issued, certificates registered and certificates revoked, and shall keep proper financial records in which there shall be entered a complete statement of the cash receipts and disbursements of said board.

Said board shall adopt and provide itself with a seal with a band inscribed, "Certified Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, and said seal shall be affixed to each certificate issued or registered under this act.

All records of said board shall be open to the inspection of the public at the office of the secretary of the board.

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Said board shall report annually to the governor in the month of December, as follows:

- (a) Its receipts and disbursements.
- (b) Names of persons to whom certificates have been issued.
- (c) Names of all persons whose certificates have been revoked.
- (d) Recommendations, if any, for new legislation, and such other matters as the board may deem proper.

### CERTIFICATE TO BE GRANTED—TO WHOM.

SEC. 3. No certificates for a certified public accountant shall be granted to any person other than a citizen of the United States, or person who has, in good faith, duly declared his intention of becoming such citizen, and is over the age of twenty-one (21) years and of good, moral character, and (except under the provisions of Section 4 of this act) who shall have successfully passed an examination in "accounting," "auditing," and "commercial law" affecting accountancy, and on such other subjects as the board may deem advisable.

No person shall be permitted to take such examination unless he shall for a period of at least three (3) years have been employed in the office of a "public accountant" as an assistant or shall have been practicing as a public accountant on his own account and who shall not at least three (3) years prior to the date of said examination have successfully passed an examination in such subjects as may be prescribed by the board, touching his general education, qualifications and fitness for an accountant; provided, that said board may, in its discretion, waive the preliminary examination of an applicant who, in its opinion, has had a general education equivalent to that which may be prescribed by its rules and is otherwise qualified.

### BOARD MAY WAIVE EXAMINATION.

SEC. 4. Said State Board of Accountancy may, in its discretion, waive the examination of, and may issue a certificate for, certified public accountant, to any person possessing the qualifications mentioned in Section 3 of this act, who

- (1) Is the holder of a C. P. A. certificate, issued under the laws of another state which extends similar privileges to certified public accountants of this state, provided the requirements for said degree in the state which has granted it to the applicant are, in the opinion of the State Board of Accountancy, equivalent to those herein provided; or who
- (2) Shall be the holder of a degree of certified public accountant or chartered accountant, or the equivalent thereof, issued in any foreign government, provided that the requirements for such degree are equivalent to those herein provided for the degree of certified public accountant; or who,



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- (3) For more than three (3) consecutive years next preceding the passage of this act shall have been practicing in this state on his own account as a public accountant, and who shall apply in writing to the board for such certificate within six months after the passage of this act.

### QUALIFICATION.

SEC. 5. Any person who has received from said State Board of Accountancy a certificate of his qualifications to practice as a public accountant as herein provided shall be known and styled a "certified public accountant," and no other person, and no partnership, all of its members who have not received such certificate, and no corporation, shall assume such title or the title of "certified accountant," or the abbreviation, "C. P. A.," or any other words, letters or abbreviations tending to indicate that the person, firm or corporation so using the same is a certified public accountant.

### FEE FOR EXAMINATION AND CERTIFICATE.

SEC. 6. Said State Board of Accountancy shall charge for each examination and certificate provided for in this act, a fee of twenty-five (\$25.00) dollars to meet the expenses of such examination. This fee shall be payable by the applicant at the time of making his initial application, and shall not be refunded and no additional charge shall be made for the issuance of a certificate to any applicant.

From the fees collected under this act, the board shall pay all expenses incident to the examinations, hearings and expense of issuing certificates, traveling expenses of the members of the board while performing their duties under this act; provided, that no expense incurred under this act shall be a charge against the funds of this state.

The members of said State Board of Accountancy shall be paid all necessary expenses incurred in the performance of the duties under this act.

### REVOCATION OF CERTIFICATE.

SEC. 7. Said State Board of Accountancy may revoke any certificate issued under this act or may cancel the registration of any certificate issued under this act for bad moral character, dishonesty, conviction of crime, incompetency or unprofessional conduct; provided, a written notice shall have been mailed to the holder of such certificate at least twenty (20) days before any hearing thereon, stating the cause for such contemplated action and appointing a time and place for a hearing thereon by the State Board of Accountancy, and further provided, that no certificate issued under this act shall be revoked until an opportunity for such hearing shall have been afforded.

At all such hearings, the attorney-general of this state, or one of his assistants designated by him shall attend.

Certificates issued or registered under this act shall be surrendered to the State Board of Accountancy on their revocation by said board.

SEC. 8. Any violation shall be a "gross misdemeanor."

SEC. 9. This act shall take effect and be in force from and after its passage.

Approved April 22, 1909.

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## MISSOURI C. P. A. LAW

(Engrossed)

Senate Bill No. 112.

45th General Assembly.

Introduced by Senator Humphrey (By Request).

Read first time February 4, 1909, and 300 copies ordered printed.

Read second time February 10, 1909, and referred to the Committee on Criminal Jurisprudence.

Reported from the Committee on Criminal Jurisprudence February 25, 1909, with recommendation that the bill do pass.

Taken up March 1, 1909, and ordered engrossed and printed.

R. S. McCLINTIC, Secretary.

AN ACT REGULATING THE PRACTICE OF PUBLIC ACCOUNTING; CREATING A BOARD OF ACCOUNTANCY; PROVIDING FOR THE GRANTING OF CERTIFICATES AND THE REGISTRATION OF CERTIFIED PUBLIC ACCOUNTANTS; PROVIDING FOR EXAMINATIONS, THE SUSPENSION OR REVOCATIONS OF CERTIFICATES ISSUED BY THE BOARD; PRESCRIBING THE QUALIFICATIONS OF PERSONS ENTITLED TO CERTIFICATES AS CERTIFIED PUBLIC ACCOUNTANTS, CREATING (DEFINING) MISDEMEANORS FOR A VIOLATION OF THE PROVISIONS HEREOF, AND PRESCRIBING THE PUNISHMENT (PENALTY) THEREFOR.

*Be It Enacted by the General Assembly of the State of Missouri, as Follows:*

SECTION 1. Any citizen of the United States, or person who has declared his intention of becoming such, having a place for the regular transaction of business as a professional accountant in the State of Missouri, and who, as in this act required, shall have received from the secretary of state for the State of Missouri a certificate of his qualifications to practice as a public accountant, as hereinafter provided, shall have the authority to style himself and be known as a certified public



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accountant and to use the abbreviated title C. P. A. for and during the term mentioned in his certificate.

SEC. 2. The governor shall, within thirty days after the taking effect of this act, appoint five persons, who shall constitute the board of accountancy, each member of which shall have been engaged in the reputable practice as a public accountant for a continuous period of three years immediately preceding the passage of this act, one of which shall have been in the State of Missouri. The persons first appointed shall hold office for one, two, three, four and five years, respectively. Upon the expiration of each of said terms, a member, who shall be a holder of a certificate issued under this act, shall be appointed for a term of five years.

SEC. 3. The board of accountancy, the majority of which shall in all cases have the powers of the board, shall determine the qualifications of persons applying for certificates under this act, and shall make rules for the examination of same, which shall embody the following:

- (a) Examinations shall be held by the board at least once in each year, at such times and places as may be determined by them. The time and place of holding such examinations shall be advertised for not less than three consecutive days, not less than thirty days prior to the date of each examination, in at least two daily newspapers printed and published in this state. The examination shall be in "theory of accounts," "practical accounting," "auditing" and "commercial law as affecting accountancy."
- (b) Applicants for certificates, before taking the examination must produce evidence satisfactory to the board that they are over twenty-five years of age, of good moral character, a graduate of a high school with a four years' course, or have an equivalent education, or pass an examination to be set by the board, and that they have had at least three years' practical accounting experience.
- (c) After the examination provided by this act the board shall, if in its judgment the applicants be entitled thereto, certify to the secretary of state the name and address of each person to be registered and to whom certificates of registration are to be issued. It shall thereupon be the duty of the secretary of state to register such persons as certified public accountants, and to issue to them certificates of registration. The secretary of state shall be entitled to receive \$2.50 for each registration and certificate issued, to be paid out of the funds accumulated by this act.
- (d) In the event the board shall waive the examination of any person of competent age, as in this act provided, the name of such person shall likewise be certified to the secretary of

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state, who shall likewise register such person and issue such certificate upon payment of the fees required hereunder.

- (e) All applications must be filed with the board of accountancy and be accompanied by the following fees:

For examination or recommendation for waiver of

same, as provided in Section 4..... \$25.00

For registration under Section 5..... 25.00

For issuance of certificate..... 10.00

Provided, however, that in the event any candidate fails to pass the required examination, he shall be entitled to take a second examination, within one year after the date of the examination at which he failed to pass, without paying a second fee.

- (f) From fees collected the board shall pay all expenses incident under this act: Provided, that no expense incurred shall be a charge against the funds of the state, and that the remuneration of each examiner shall not exceed the sum of five dollars per day while engaged in their duties as such, exclusive of the necessary traveling and other expenses, to which they shall also be entitled. Provided, however, that all moneys received in excess of the fees and expenses herein provided for shall be held by the treasurer of said board as a special fund for other like expenses of said board in carrying out the provisions of this act, but said treasurer shall file a report with the governor at the close of each calendar year, showing the amount of moneys received during said year, the amount expended, and for what purpose and also the total balance remaining in his hands, which report shall be subscribed and sworn to by said treasurer.

- (g) The board shall annually elect from its number a president, secretary and treasurer, and all certificates required to be executed for and on behalf of the board shall be certified over the signatures of the president and secretary.

SEC. 4. The board may, in their discretion, waive the examination of any person of competent age, of good moral character, and who has been engaged in reputable practice as a public accountant for a continuous period of three years, one of which shall have been in the State of Missouri immediately preceding the passage of this act, or who has been employed as an accountant by reputable firms of accountants for a continuous period of five years immediately preceding the passage of this act, one of which shall have been in the State of Missouri, and who shall apply in writing to the board for such certificate within six months after the taking effect of this act.

SEC. 5. The board may, in their discretion, issue a certificate to the secretary of state to the effect that any person who is the lawful holder



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of a certified public accountant's certificate issued under the law of another state which provided for similar registration, and which established a standard of qualification as high as that required under this act, and upon the reception of such certificate, the secretary of state shall issue to such person a certificate of registration, which shall entitle the holder to practice as such certified public accountant, and to use the abbreviation C. P. A. in this state.

SEC. 6. The board may revoke or cancel the registration of any certificate issued under this act for unprofessional conduct of the holder or other sufficient cause. Provided, that written notice shall have been mailed to the holder of such certificate at least twenty days before any hearing thereon, stating the cause of such contemplated action and appointing a day for full hearing thereon by the board; and provided further, that no certificate issued under this act shall be revoked until such hearing shall have been held or the opportunity for such afforded the person charged. In the event of the revocation, cancellation or suspension of any such certificate, the board shall notify the secretary of state of its action in the premises, and the secretary of state shall note such order of the board upon the records kept in his office.

SEC. 7. If any person represents himself to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant, or use the abbreviation C. P. A., or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received such certified public accountant certificate, or without having received a registration certificate, as provided in this act; or any person having received a certificate as provided in this act, and having thereafter been deprived of such certificate by revocation, as herein provided, shall continue to practice and hold himself out as a certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined a sum of not less than fifty dollars nor more than five hundred dollars for each offense, and each day such person shall so offend shall be deemed a separate offense. Nothing in this act shall be construed to prohibit any person from practicing as a public or expert accountant in this state, but said act shall only apply to such persons as practice and hold themselves out to be certified public accountants.

SEC. 8. If any person practicing in the State of Missouri as a certified public accountant, under this act, or who is in the practice of public accountancy as a certified public accountant, or otherwise, shall wilfully falsify any report or statement bearing on any examination, investigation or audit made by him, or under his direction, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than one hundred dollars, nor more than one thousand dollars or shall be imprisoned in the county or city jail for a term not less than three months, nor more than one year, or both such fine and imprisonment for each time he may so falsify such reports.

STATE OF MONTANA.

Chapter 39 of the Session Laws of 1909

"AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTING."

*Be it enacted by the Legislative Assembly of the State of Montana:*

SECTION 1. That any person having been granted by the University of Montana (a corporation organized and existing under the laws of this State and hereinafter referred to as the "University") a certificate of his competency to practice as a Public Expert Accountant shall be known as, and styled, a "Certified Public Accountant" and shall be authorized to use the initials "C. P. A." after his name; and no person who has not received such certificate, nor any partnership all the members of which have not received such certificates, and no corporation shall assume such title or the title "Certified Accountant" or "Chartered Accountant" or the letters "C. P. A." or "C. A." or any other words or letters or abbreviations tending to, or intended to, indicate that the persons, firm or corporation using them is a Certified Public Accountant within the meaning of this Act.

SEC. 2. The University shall, through a Board of Examiners by it appointed, determine the qualifications of all applicants for a certificate under this Act. The Board of Examiners shall consist of three persons skilled in the knowledge, theory and practice of accounting in all its branches and in commercial law as affecting accountancy, each one of whom shall be the holder of the degree of "Certified Public Accountant" granted to him under this Act or be entitled to receive the degree without examination in accordance with the purport and intent of clause (3) of Section 4 of this Act. The Examiners shall hold office for the period of three years and until their successors are appointed and qualified; except that of the three Examiners first appointed under this Act, one shall hold office for one year and one for two years.

SEC. 3. A certificate as a "Certified Public Accountant" shall be granted to any person, a citizen of the United States or having in good faith and in the manner required by law declared his intention of so becoming, of the age of twenty-one years, of good moral character, a graduate of an accredited High School or having an equivalent education, and (except under the provisions of Section 4 of this Act) who shall have been certified to the University by the said Board of Examiners as having successfully passed, (a) a written examination in "Theory of Accounts," "Practical Accounting," "Auditing," "Commercial Law as Affecting Accountancy" and such other subjects as the University may designate, and (b) an oral examination of sufficient scope, thoroughness and severity to test and to determine the fitness of the examinee to practice as a professional accountant. Any person shall be eligible to and



permitted to take such examination who has had three years practical experience in accounting acquired (a) practicing on his own account, or (b) in the office of a public accountant, or (c) in a responsible accounting position in the employ of a business corporation, firm or individual. All such examinations shall be conducted by the Board of Examiners herein provided for and not less than thirty days prior to the date of each examination the time and place of holding it shall be noticeably advertised for not less than three consecutive days in three representative daily newspapers published in the State. The examinations shall take place as often as, in the opinion of the University, may be necessary, but not less frequently than one each year. The University shall make all needful rules and regulations regarding the conduct, character and scope of the examinations, the method and time of filing, and the form and contents of, applications therefor and all other rules and regulations necessary to carry into effect the purposes of this Act.

SEC. 4. Upon the recommendation of the Board of Examiners the University may in its discretion waive the examination of, and issue the degree of Certified Public Accountant to, any person, a citizen of the United States or having in good faith and in the manner required by law declared his intention of so becoming, a resident of the State of Montana or maintaining a regular place of business therein, who is, (1) the holder of a C. P. A. certificate issued under the laws of another State which extends like privileges to Certified Public Accountants of this State; provided the requirements for said degree in said other State are, in the opinion of the Board of Examiners, equivalent to those herein stipulated, or (2) the holder of the degree of "Certified Public Accountant" or "Chartered Accountant" or the equivalent thereof issued in any foreign government; provided that the requirements, for said degree in said foreign government are, in the opinion of the Board of Examiners, equivalent to those herein stipulated, or (3) of the age of twenty-five years, of good moral character, a graduate of an accredited High School or having an equivalent education, who has had at least three years' experience in the practice of public accounting in this State and whose qualifications are in every respect equal to those assumed and implied by the successful passing of the examinations stipulated in Section 3 of this Act and who is personally known to the Board of Examiners to be so qualified as a competent and skilled accountant in theory and in practice and who shall apply in writing to the University for said certificate within one hundred and eighty days after the passage of this Act.

SEC. 5. The University may for unprofessional conduct or for other sufficient cause revoke, or cancel the registration of, any certificate issued under this Act; provided that written notice of the cause for such contemplated action and the date of the hearing thereon by the University shall have been mailed to the holder of such certificate at least thirty days before said hearing and no certificate issued under this Act shall be revoked until said hearing shall have been held.

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SEC. 6. Each candidate for the examinations provided for in this Act and each applicant for a certificate under Section 4 of this Act shall pay in advance to the University a fee of Twenty-five Dollars (\$25.00) to defray the expenses of such examinations; except that any candidate failing to pass the required examination shall be entitled to take a second examination without further fee. The Examiners appointed under the provisions of this Act shall be reimbursed for all legitimate traveling and hotel charges expended in the performance of their duties as such, but shall not receive any compensation for their time likewise expended. From the fees collected under this Act the University shall pay all the expenses of, and incident to the examinations, the expenses of issuing certificates and the traveling and hotel expenses of the Examiners while performing their duties under this Act, and at the close of each calendar year any surplus remaining after the payment of the year's expenses, shall become the property of the University and in no event shall any expense incurred under this Act be a charge against the funds of the University nor of the State.

SEC. 7. If any person shall falsely represent himself to the public as having the certificate provided for in this Act, or shall assume to practice as a Certified Public Accountant without having received such certificate, or having received such certificate shall thereafter lose it by revocation and shall continue to practice as a Certified Public Accountant, or shall without warrant of law use such title or any other title mentioned in Section 1 of this Act, or if any person shall violate any of the provisions of this Act, he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not less than One Hundred Dollars (\$100.00) nor more than Five Hundred Dollars (\$500.00), or imprisoned in the County Jail for a period of not less than one month nor more than six months, or both, in the discretion of the Court, for each day during which he shall so unlawfully practice or violate any of the provisions of this Act.

SEC. 8. This Act shall take effect from and after its passage and approval by the Governor.

W. W. McDOWELL,  
*Speaker of House.*

W. R. ALLEN,  
*President of Senate.*

Approved February 27th, 1909.

EDWIN L. NORRIS,  
*Governor.*

Filed February 27th, 1909, at 3:25 o'clock P.M.

A. N. YODER,  
*Secretary of State.*



**NEBRASKA C. P. A. LAW.**

*Be it Enacted by the Legislature of the State of Nebraska:*

SECTION 1. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the State of Nebraska, being over the age of twenty-one years and of good, moral character, and who shall have received from the governor of the State of Nebraska a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a certified public accountant; and no other person shall assume such title, or use the abbreviation "C. P. A." or any other words, letters or figures to indicate that the person using the same is such a certified public accountant.

SEC. 2. The board of examiners for the examination of persons applying for certificates under this act shall consist of three members, one of whom shall be the auditor of public accounts and two shall be certified public accountants of the State of Nebraska to be appointed by the governor upon the approval of this act. One of said examiners shall be appointed for the term of one year and one for the term of two years, and upon the expiration of said terms a successor shall be appointed annually for the term of two years.

SEC. 3. Examinations of persons applying for certificates under this act shall be held at least once a year, at such time and place as may be determined by the board and the subject of examination shall be the regular questions as furnished by the National Association of Certified Public Accountants. The results of such examination shall be certified to the governor, and to all persons who may have passed the examination satisfactory to said board of examiners, and by it recommended, the governor shall issue the certificate mentioned in the first section of this act.

SEC. 4. The board of examiners shall charge for examination and certificate such fee as may be necessary to meet actual expenses of such examination and issuing of such certificate, and shall report annually the receipts and expenses under the provisions of this act to the governor, and the surplus, if any, of receipts over expenses shall be paid into the state treasury. The governor may revoke any certificate issued under the provisions of this act for a sufficient cause; provided written notice shall have been given to the holder thereof, and after he has had an opportunity for a hearing thereon.

SEC. 5. Upon the passage of this act the members, in good standing, of the Nebraska State Association of Public Accountants shall be recognized as certified public accountants and receive certificates as provided for in Section 1 of this act, and said association shall thereupon be authorized to change the title of their organization accordingly.

SEC. 6. Any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof

in any court having criminal jurisdiction shall be fined not less than fifty dollars nor more than two hundred dollars, or be confined not more than six months in the county jail for each offense.

Approved April 3, 1909.

ASHTON C. SHOLLENBERGER, Governor.

## VIRGINIA C. P. A. LAW.

Enacted by the State of Virginia.

CHAPTER 158.—AN ACT TO ESTABLISH A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS WHO QUALIFY UNDER THE PROVISIONS OF THIS ACT, AND TO PROVIDE A PENALTY FOR VIOLATION OF THIS ACT.

Approved March 14, 1910.

1. Be it enacted by the General Assembly of Virginia, That there is hereby established a State Board of Accountancy, to consist of five members, to be appointed by the Governor; one member shall be a practicing attorney in good standing in any of the courts of this State, and he shall hold office for the term of three years and until his successor is appointed and qualified; one member shall be an educator, and he shall hold office for the term of three years and until his successor is appointed and qualified; the other three members shall be practicing public accountants who have been actively engaged in such practice on their own account for at least three years next preceding such appointment; and they shall hold office, one for the term of three years, one for the term of two years, and one for the term of one year, as designated by the Governor in his appointment; and upon the expiration of each of the said terms a member shall be appointed for the term of three years, but after January 1, 1911, all accountants appointed to serve on this board must be holders of C. P. A. certificates under the provisions of this act. Any vacancies that may occur from any cause shall be filled by appointment to be made by the Governor for the unexpired term.

2. Any citizen of the United States (or person who has duly declared his intention of becoming such citizen), being over the age of twenty-one years and of good moral character, residing or having an office in the State of Virginia, who shall, as hereinafter provided, receive from the Virginia State Board of Accountancy a certificate of his qualifications to practice as an expert public accountant, shall be known and styled as a Certified Public Accountant; but no other person, nor any corporation, nor any partnership, all the members of which have not received such certificate, shall assume such title, or the title of "Certified Accountant" or "Chartered Accountant," or the abbreviations "C. P. A.," or "C. A.," or any other words, letters or abbreviations tending to indicate that the person, firm or corporation so using the same is a certified public accountant.



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3. Examinations of persons applying for certificates under this act shall be held in Richmond at least once in every year, or oftener, in the discretion of the Board. The subjects in which applicants shall be examined are (1) theory of accounts; (2) practical accounting; (3) auditing, and (4) commercial law, as affecting accountancy.

No person shall be permitted to take such examination unless he shall have been practicing on his own account as a public accountant for at least one year; or shall have been employed in the office of a public accountant, as an assistant, for at least two years; or shall have been employed as a bookkeeper for at least three years.

Applicants not presenting proper credentials showing that they have received a general education equivalent to a public high school course of recognized standing, may be required, in the discretion of the Board, to pass a preliminary examination in the subjects embraced in such high school curriculum.

All examinations herein provided for shall be conducted by the State Board of Accountancy, or by a majority thereof. The time and place of holding examinations shall be duly advertised for not less than three consecutive days in at least one daily newspaper published in Richmond, one published in Norfolk and one published in Lynchburg, not less than thirty days prior to the date of each examination.

The Board may make all needful rules and regulations regarding the conduct and scope of the examination, the method and time of filing applications for examination and all other rules and regulations necessary to carry into effect the purpose of this act.

4. The Board may, in its discretion, waive the examination of any person possessing the qualifications stated in section two of this act who (1) is the holder of a C. P. A. certificate issued under the laws of another state, which extends similar privileges to certified public accountants of this State, provided the requirements for said degree in the said State are, in the opinion of the Board, equivalent to the requirements in this State; (2) is the holder of a degree of Certified Public Accountant, or Chartered Accountant, or the equivalent thereof, issued under the laws of any foreign government, provided the requirements for said degree are, in the opinion of the Board, equivalent to the requirements of this State; (3) has, for at least one year next preceding the date of his application, been practicing in this State on his own account as a public accountant and who shall apply in writing to the Board for such certificate within six months after this act becomes operative.

5. The Board may revoke any certificates issued under this act if the holder thereof (1) shall be convicted of felony, or (2) shall be declared by any court of competent jurisdiction to have committed any fraud, or (3) shall be declared by any competent court or commission to be insane or otherwise incompetent, or (4) shall be held by this Board to be guilty of any act or default discreditable to the profession, provided that written notice of the cause of such contemplated action and the date of the hearing thereon by this Board shall have been mailed to the holder of such

certificate at his last known address at least twenty days prior to such hearing. At all such hearings the attorney general of this State, or one of his assistants designated by him, may sit with the Board with all the powers of a member thereof.

6. The Board shall charge each applicant a fee of twenty-five dollars (\$25.00) for the examination and certificates provided for in this act, which fee shall be payable at the time of application.

In case of the failure on the part of any applicant to attend the examination at the date specified by said Board, or to pass a satisfactory examination, said applicant may appear at the next examination of said Board for re-examination upon the payment of the further sum of ten dollars (\$10.00).

From the fees collected under this act the Board shall pay all expenses incident to the examination, the expenses of issuing certificates, the traveling expenses of members of the Board and their compensation while performing their duties under this act; provided, that no expense incurred under this act shall be a charge against the funds of this State. Any surplus of receipts over expenses shall, at the end of each year, be deposited by the treasurer of the Board with the State treasurer to the credit of the State's general fund.

The members of this Board shall be paid an amount not exceeding ten dollars (\$10.00) per day to each member for the time actually spent and also all necessary traveling expenses incurred in the performance of his duties under this act.

The Board shall report annually to the Governor the number of certificates issued and the amounts of receipts and expenses under this act.

7. If any person, or corporation, represent himself, or itself, to the public as having received the certificate provided for in this act, or if he shall advertise himself as a Certified Public Accountant, or Certified Accountant, or Chartered Accountant, or use the initials C. P. A., or C. A., or otherwise falsely hold himself out as having qualified under this act, without having actually received a certificate from the State Board of Accountancy, or if, having received such certificate, he shall continue to practice as a Certified Public Accountant after said certificate has been revoked, or if any person shall otherwise violate any of the provisions of this act, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than one hundred dollars (\$100.00), nor more than five hundred dollars (\$500.00), or imprisoned for not less than one month nor more than six months, or both, in the discretion of the court.

8. Nothing herein contained shall be construed so as to prevent any person from being employed as a public accountant within this State.

9. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.



# Constitution and By-Laws

OF

The American Association of Public Accountants.





CONSTITUTION AND BY-LAWS  
OF  
The American Association of Public  
Accountants

[As amended at the Annual Meeting at New York, October, 1910]

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Constitution

ARTICLE I.

NAME AND OBJECTS.

The name of the association shall be "The American Association of Public Accountants."

Its objects shall be to unite in one organization the public accountants practicing in the United States, to advance the science of accountancy, aid in securing uniformity of legislation affecting the profession and the business community, uphold the high standard of the profession, and encourage cordial intercourse among public accountants.

ARTICLE II.

MEMBERS—THEIR ELECTION AND ADMISSION AND CERTIFICATES.

SECTION 1. The membership of this association shall consist of two classes—fellows and associates.

SEC. 2. *Fellows* shall consist of:

(a) Accountants who have obtained and hold a C. P. A. certificate duly issued to them by any state or territory, who have been in continuous practice on their own account for at least three years prior to their application for admission to membership, or who, while not in practice on their own account, have served for three years immediately previous to their application for membership in the office of a public accountant in practice and who are still so in service or practice.

(b) Accountants in states or districts where no certified public accountant laws are in effect, who have been in continuous practice on their own account for at least three years immediately preceding their application for admission to membership in this association, and who

## *American Association Year-Book*

are citizens of the United States or have duly declared their intention to become such.

SEC. 3. *Associates* shall consist of:

(a) Those who are associates of or accountants in the regular employ of any practicing public accountant.

(b) Persons engaged in practice as public accountants on their own account for a less term than three years previous to their application for membership in this association.

(c) Those who are associate members of constituent state or district societies.

SEC. 4. Members shall be distinguished as *Society Fellows* and *Society Associates*; and *Fellows-at-large* and *Associates-at-large* respectively. *Society Fellows* and *Society Associates* are those who are members of the association solely by virtue of their membership in state or district societies admitted to this association. *Fellows-at-large* and *Associates-at-large* are those who are such at the date of the adoption of this Constitution and those admitted as hereinafter provided.

SEC. 5. The entire membership of state or district societies consisting only of certified public accountants, and the entire membership of similar societies consisting of public accountants in states or districts where C. P. A. laws are not in effect, may, on the respective applications of such societies, be admitted to this association as whole bodies, by a two-thirds vote of those present at any meeting of the Board of Trustees of this association, and the individual members of such societies, by such admission, shall become either *fellows* or *associates* of this association as they may be eligible under the provisions of sections 2 and 3 of this article, provided, however, that in states or districts where a certified public accountant law is in effect only such persons as hold C. P. A. certificates shall be entitled to membership as fellows in this association.

SEC. 6. Each state or district society shall be responsible for the annual dues of its members to this association, which annual dues shall be payable as hereinafter provided in Article V of the by-laws of this association.

SEC. 7. Upon the admission to membership of any fellow or associate to any state or district society which has been admitted to this association such member shall be reported by the secretary of such society to the secretary of this association, and upon his election by the Board of Trustees shall become a fellow or associate of this association, subject to the provisions of sections 2 and 3 of this article. Society membership in this association shall cease when any member ceases to be a member of any constituent state or district society.

SEC. 8. The admission and election of Fellows and Associates-at-large shall be determined by the Board of Trustees. The trustees may in



## *Constitution and By-Laws*

their absolute discretion by resolution passed by a majority of the members present and voting refuse to admit or elect any person to either degree of membership, fellow or associate, whom they may deem unfit or unsuitable, or suspend for future consideration an application for admission for such time as they may deem desirable; they may readmit to membership any person who has ceased to be a member of the association by resignation, provided satisfactory causes for such resignation and readmission be submitted to them.

SEC. 9. Every person on his admission or election as a Fellow or Associate-at-large of the association shall pay an entrance fee as hereinafter provided to the Board of Trustees, and until payment thereof he shall not be entitled to become or be a fellow or associate-at-large of the association, and failure to pay the same within one month after notice given him by mail shall nullify his admission and election, and his right to become a member shall cease.

SEC. 10. The application of any person desirous of becoming a Fellow or Associate-at-large of this association must contain evidence satisfactory to the trustees that the applicant is not eligible to membership in any state or district society affiliated with this association, and to which the applicant should properly belong, and must be approved in writing by a majority of the committee on membership. The applicant may then be admitted by a majority vote of the Board of Trustees taken either at a meeting thereof or by correspondence.

SEC. 11. Every application for membership in this association made either individually or by a constituent society on behalf of a person resident in a state or district where a state or district society is established and of which society said applicant is not a member, shall be submitted to such state or district society for approval and report thereon. In the event of said state or district society withholding its approval it shall require the affirmative vote of three-fourths of all members of the Board of Trustees present at any regular or special meeting to elect such applicant to membership.

### HONORARY MEMBERSHIP.

SEC. 12. The association, by unanimous vote of the members present at any regular or special meeting, on nomination by the Board of Trustees, may confer honorary membership on any person or persons who by their standing and celebrity in the community at large may be considered as entitled to receive such an honor.

SEC. 13. Upon admission to membership as a fellow or associate of The American Association of Public Accountants every member shall be entitled to a certificate of membership therein, and the members so receiving such certificate shall agree in writing prior to receipt of such certificate to the surrender of same to the association in the event of their withdrawal therefrom or their membership otherwise ceasing.

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### ARTICLE III.

#### STATE OR DISTRICT SOCIETIES.

SECTION 1. The objects of this association shall be in no manner whatsoever to regulate or interfere with the management, government, or organization of any of the state or district societies belonging to it, except as to the proper observance of this constitution and by-laws. Nor to seek or interfere with legislation in any state except with the consent of the society of such state or district.

### ARTICLE IV.

#### OFFICERS, TRUSTEES, AND COMMITTEES.

SECTION 1. The officers of the association shall be as follows:

A president,

Vice-presidents, who shall be the presidents of the respective state or district societies which are members of The American Association of Public Accountants, or such other member as a state or district society may select as a vice-president of this association, except, however, that the president or other nominee of such society at the date of the annual meeting shall serve as a vice-president of the association until the succeeding annual meeting, provided the said officer shall continue a member in good standing in such society; and

A treasurer,

all of whom shall be fellows of this association; also

A Secretary who shall be a fellow of the association unless in the judgment of two-thirds of all the members of the Board of Trustees the interests of the Association will be better served by securing the services as Secretary of a person who is not a fellow of the association.

Two auditors, who shall be members of this association, but not members of its Board of Trustees, and who shall reside in or near the place selected for the next annual meeting.

SEC. 2. Not more than one officer—exclusive of vice-presidents—shall be selected from among the members of any one state or district society or from among the members-at-large, unless otherwise determined by a two-thirds vote at any meeting of the association.

#### TRUSTEES.

SEC. 3. (a) The Board of Trustees shall be composed of the president, vice-presidents, treasurer, and *nine* other members who shall be fellows of the association.

(b) No more than three members of the Board of Trustees, exclusive of the president, vice-presidents, and treasurer, shall be selected from members of the same state or district society or from among the members-at-large, provided that any member nominated by a society not having its



## Constitution and By-Laws

full representation of the board shall not be disqualified by reason of such nominee being a member of a society which is fully represented.

### COMMITTEES.

SEC. 4. There shall be ten regular standing committees, viz.:

An executive committee; committee on membership; committee on by-laws; committee on annual meeting; committee on state legislation; committee on federal legislation; committee on journal; committee on education; committee on budget, and committee on arbitration. These committees shall be appointed annually by the president, except in the case of the executive committee, which shall be appointed by the Board of Trustees, as is hereinafter provided.

SEC. 5. Each committee shall consist of three fellows of this association; except the executive committee, which shall be composed as provided for in article I, section 8, of the by-laws. A majority of each committee shall constitute a quorum thereof.

SEC. 6. The president shall be *ex officio* a member of all committees.

## ARTICLE V.

### ELECTION OF OFFICERS AND TRUSTEES.

SECTION 1. The president, treasurer, trustees, and auditors shall be elected at the annual meeting. They shall hold office during the respective terms for which they are elected, or until their successors are chosen. In case of vacancy in office, the Board of Trustees shall have the power to fill the same until the next annual meeting. The secretary shall be appointed by the Board of Trustees and shall continue in office at the pleasure of said Board.

## ARTICLE VI.

### SEAL.

SECTION 1. The corporate seal of the association shall be circular in form, having displayed in its centre an eagle, upon its breast a shield, its talons resting upon a riband containing the motto or inscription "*Custos fidelitatis*," the riband covering a bunch of arrows and branch of tree on each side respectively and beneath the eagle's talons. Beneath the inner rim and above the eagle's head, a balance. Inside the rim, the inscription, "The American Association of Public Accountants, 1887."

## ARTICLE VIII.

### AMENDMENTS.

SECTION 1. Alterations, additions, or amendments to the constitution or by-laws of this association shall be made only at a regular meeting thereof and by a two-thirds vote of the members represented thereat. No proposition to alter, amend, or add shall be acted on unless written

## *American Association Year-Book*

notice thereof has been given to the secretary at least ninety days prior to the meeting at which the same is to be submitted for action. A copy of any such proposition shall be embodied in the call for the next regular meeting and a copy sent direct to every member-at-large of this association and to the secretary of each affiliated society, *at least thirty days* before the date of such next regular meeting at which the proposition to alter, amend, or add is to be acted on, furnishing each such secretary with one copy of such notice for each and every member in the society.

### By-Laws.

#### ARTICLE I.

##### PRESIDENT.

SECTION 1. It shall be the duty of the president to preside at all meetings and to enforce all laws and regulations relating to the administration of the association.

SEC. 2. He shall call meetings of the association or Board of Trustees when he deems it necessary, or when requested so to do by the executive committee, or upon the written request of at least one-fourth of the constituent societies for a meeting of the association, or one-fourth of the trustees for a meeting of the Board of Trustees.

##### VICE-PRESIDENTS.

SEC. 3. In the absence of the president, one of the vice-presidents named by the president, or, failing this, designated by the Board of Trustees, shall have all the powers and prerogatives of the president, provided that if the president be absent from the annual meeting of the association the chairman shall be appointed from the vice-presidents by the Board of Trustees.

##### CHAIRMAN PRO TEMPORE.

SEC. 4. In the event of the absence of the president and vice-presidents from any meetings of the association or Board of Trustees, one of the members present shall preside.

##### TREASURER.

SEC. 5. All moneys payable to the association shall be paid to the treasurer of the association and by him deposited in a bank designated by the Board of Trustees, and all moneys payable by the association shall be paid by checks signed by the treasurer; provided, however, that nothing herein contained shall prevent the Board of Trustees from placing in the hands of the treasurer or other officer such sums as may be necessary to meet salaries and pay current expenses. The treasurer shall be required to give a bond satisfactory to the trustees.



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### SECRETARY.

SEC. 6. The secretary shall perform all the duties usually appertaining to his office and such other duties as may be assigned to him by the president, the Board of Trustees, or the executive committee. It shall also be his duty, subject to the executive committee, at all seasonable opportunities to advocate the cause of the profession generally, and to initiate correspondence in promotion of the aims of the association.

### AUDITORS.

SEC. 7. The accounts of the association shall be audited by the auditors, and their report shall be made at the annual meeting. The books of the association and the annual accounts shall be delivered to the auditors at least three days before each annual meeting, and their report thereon shall be filed with the Board of Trustees before the date of such meeting.

### BOARD OF TRUSTEES AND EXECUTIVE COMMITTEE.

SEC. 8. It shall be their duty to take charge, control, and management of all the property, real and personal, belonging to the association. They shall keep a record of their proceedings, and make a report thereof in writing to the association at the annual meeting.

Generally the Board of Trustees shall exercise all powers requisite for the purposes of the association as herein described, and possess such other powers as provided for by statute.

The Board of Trustees shall appoint an executive committee consisting of the president of the association as chairman of said committee, the treasurer of the association, and five other members of the Board of Trustees, to whom the board may delegate such of its powers as it may determine, except (a) the election of new members; (b) filling a vacancy caused by the death, disability, or resignation of any officer or member of the Board of Trustees; (c) suspension of an affiliated society or a member for any cause whatsoever; (d) filling a vacancy on the executive committee; (e) appointment or removal of the Secretary.

The executive committee shall keep minutes of its proceedings and report such fully to the Board of Trustees at each meeting thereof. It shall be their duty generally to administer the affairs and supervise the finances of the association, to audit all bills prior to the payment thereof, and to perform such other duties and exercise such other powers as may be designated by the Board of Trustees.

SEC. 9. The office of a member of the Board of Trustees may be vacated by his absence from two consecutive meetings of the board, without good and sufficient reason satisfactory to the Board of Trustees.

SEC. 10. The Board of Trustees shall adopt an annual budget showing the amount of money appropriated for the several purposes of the association for the ensuing year.

No debts shall be contracted or money spent other than as specified in said budget or in excess of the sum provided for the stated purposes until

## *American Association Year-Book*

such proposed expenditure or indebtedness has received the approval of at least a majority of all the members of the Board of Trustees.

### COMMITTEE ON MEMBERSHIP.

SEC. 11. The duties of this committee shall be to inquire into the standing and character of each person proposed for membership, and to report the same at the next meeting of the Board of Trustees, unless excused by a vote of said board, and no person shall be reported except by a majority of said committee.

### COMMITTEE ON BY-LAWS.

SEC. 12. Every question involving the amendment, construction, or addition of or to any by-laws shall be referred to this committee.

### COMMITTEE ON ANNUAL MEETINGS.

SEC. 13. This committee shall have charge of all arrangements, plans, programs, etc., for the annual meeting of the association.

### COMMITTEE ON STATE LEGISLATION.

SEC. 14. The duties of this committee shall be to assist affiliated societies in matters relating to state legislation affecting the profession, to support members against unjust attack where questions of professional principle are involved, and to consider such questions as may be referred to it by the executive committee or Board of Trustees.

The committee shall report to the Board of Trustees at each of its regular meetings the legislative situation as affecting the profession in each state of the union where matters of interest have arisen since the date of the previous report.

### COMMITTEE ON FEDERAL LEGISLATION.

SEC. 15. This committee shall have charge of the interests of the association as they may be affected by federal legislation. It shall report to the Board of Trustees at each regular meeting thereof, or to the executive committee upon request thereof.

### COMMITTEE ON JOURNAL.

SEC. 16. The duties of this committee shall be to direct the policy of THE JOURNAL OF ACCOUNTANCY on behalf of The American Association of Public Accountants in conjunction with the directors of The Accountancy Publishing Company.

### COMMITTEE ON EDUCATION.

SEC. 17. This committee shall direct its efforts to the development of accountancy education, and shall report annually the progress thereof.

### COMMITTEE ON BUDGET.

SEC. 18. The duties of this committee shall be to prepare an annual budget and present it to the Board of Trustees for adoption.



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### COMMITTEE ON ARBITRATION.

SEC. 19. The duties of this committee shall be:

(a) To investigate and arbitrate such differences of a professional character between members of this association as shall be referred to it by the Board of Trustees, executive committee, or by mutual consent of the parties thereto members of this association.

(b) To report the findings thereon to the Board of Trustees and the parties to the arbitration, provided, however, that no reports to the trustees or executive committee shall be requisite if the findings of this committee be accepted by all of the parties in issue.

(c) And in the event of the non-acceptance of the findings of this committee by any of the parties in issue, to prefer charges against such person or persons before the Board of Trustees sitting as a trial board.

This committee shall organize by the selection of one of its members as secretary, who shall notify in writing at least thirty days in advance of any action such member or members of this association as may be affected by such investigation.

Provided always that nothing herein contained shall operate to suspend the authority of state societies for the adjudication of disputes between members thereof.

## ARTICLE II.

### MEETINGS OF THE ASSOCIATION—REGULAR.

SECTION 1. The annual meeting of the association shall take place on the third Tuesday of September of each year. Notices of meeting shall be sent out not less than thirty days prior to such meeting direct to each member-at-large and to the membership of constituent societies through the respective secretaries thereof, stating the place, date, and time of such meeting.

### ANNUAL MEETING.

SEC. 2. (a) The annual meeting shall be held at such place in the United States as the members in annual meeting of the preceding year shall decide.

(b) The fiscal year of the association shall end on the 31st day of August in each year.

### SPECIAL MEETINGS.

SEC. 3. Special meetings may be called in accordance with these by-laws, at which meetings no business other than that for which they were called shall be transacted. The place at which such meetings shall be held shall be determined by the executive committee.

Notices of such meetings shall be sent, not less than thirty days prior to each such meeting, direct to every member-at-large and to the membership of constituent societies through the respective secretaries thereof, stating the place and date of such meeting and the business to be transacted thereat.

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SEC. 4. A full report of each regular or special meeting shall be published in the next issue of *THE JOURNAL OF ACCOUNTANCY*.

### BOARD OF TRUSTEES MEETINGS.

SEC. 5. (a) Regular meetings of the Board of Trustees shall be held on the Thursday next after the third Tuesday in September, the second Monday in April, and the Monday next preceding the third Tuesday in September of each year. Other meetings may be called by the president. All meetings shall be held at such places as shall be determined by the executive committee.

Twenty-one clear days' notice of a meeting of the Board of Trustees shall be given to each member, mailed to him at his usual or last known address, and such notice shall, as far as possible, contain a statement of the business to be transacted at such meeting and the names of any candidates for admission to membership of the association.

Copies of the minutes of each meeting shall be forwarded by the secretary within fifteen days thereafter to every member of the Board of Trustees.

(b) In lieu of calling a special meeting of the Board of Trustees the president may submit proposed resolutions to a vote of the board by correspondence, and any such resolution which is approved by not less than two-thirds of the whole membership of the board shall be declared by the president to be duly carried and shall be recorded on the minutes of the board.

### COMMITTEE MEETINGS.

SEC. 6. All committees shall be subject to the call of their respective chairmen.

### QUORUM.

SEC. 7. A representation of a majority of the fellows of this association shall constitute a quorum authorized to transact any business duly presented at any meeting of the association.

Seven trustees shall constitute a quorum of the Board of Trustees; except when convened as a trial board, when a majority shall be necessary; a majority of any and all committees shall constitute a quorum of such committees.

## ARTICLE III.

### REPRESENTATION AT MEETINGS OF ASSOCIATION—SOCIETY DELEGATES.

SECTION I. Once in each calendar year each state or district society shall elect delegates and alternates thereto from among the fellows of The American Association of Public Accountants to represent such society at the meetings of the association, and such delegates shall be entitled to cast a vote or votes, at each meeting of the association during the ensuing twelve months upon each question which shall properly be brought before any such meeting, representing in the aggregate the total



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number of society fellows of The American Association of Public Accountants who are entitled to representation in this association as are members of said state or district association on which dues are paid to the association. Provided, however, society fellows who are such through membership in more than one state or district society shall elect as to the society through which they desire representation, and they shall be entitled to representation for voting purposes, by one such society only. In the absence of instructions to the contrary, they shall be credited to the state or district society from which their last annual dues were received. Each delegate present shall cast an equal proportion of the total vote of the society he represents unless otherwise directed by his society.

SEC. 2. Each state or district society may determine as to the number of its delegates to this association, not to exceed, however, one delegate for every ten fellows, and provided that at least ten days prior to every meeting of the association the secretary of each state or district society shall furnish a properly attested certificate of the names of the delegates and alternates thereto who have been duly elected to represent such society, and also to state thereon the number of fellows, members of such society, who are entitled to representation in this association.

### FELLOWS-AT-LARGE.

SEC. 3. Each fellow-at-large, who was a member of this association prior to January 10, 1905, shall be entitled to cast one vote, either personally or by duly authorized proxy, upon each question which shall properly be brought before any meeting of the association, and for the election of officers thereof. If, however, he elects to so vote he shall not be entitled to representation for voting purposes as a society member.

SEC. 4. Fellows-at-large who may have been admitted to membership after January 10, 1905, shall not be entitled to a vote until such time as their number reaches ten, when they shall, once in each calendar year, form themselves into an assembly or group for the purpose of obtaining representation at the meetings of the association; and for such purpose they shall select from among their number a delegate or delegates and alternates, not to exceed, however, one delegate for every ten such fellows-at-large, who shall be entitled to cast a vote or votes pursuant to the provisions of section 1 of this article. The notice to the secretary of the association of the election of such delegates and alternates shall be in accordance with the procedure indicated in section 2 of this article.

### ASSOCIATE MEMBERS.

SEC. 5. Associate members shall not be entitled to any vote.

### MEMBERS MAY ATTEND MEETINGS.

SEC. 6. All members of the association may attend all meetings and take part in the proceedings thereof, but voting shall only be in accordance with the provisions of this article.

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### ARTICLE IV.

#### NOMINATION AND ELECTION OF OFFICERS.

SECTION 1. Nominations may be made at the annual meeting of the association by any society delegate or fellow-at-large for each of the following officers, viz.:

President,

Treasurer, and

Two auditors, to serve until the date of the succeeding annual meeting; and for

Three trustees, to serve for three years each.

Nominations may also be made at the same time to fill the unexpired term of any trustee whose office may be then vacant.

SEC. 2. Election shall be by ballot. A chairman and two tellers shall be appointed to receive the ballots for each officer, trustee, and auditor. They shall canvass the ballots so cast and announce the result to the presiding officer, who thereupon shall declare the members receiving the majority of the votes cast elected to the respective offices.

SEC. 3. In case of no choice on the first ballot for any one or more officers, trustees, or auditors, a new election shall take place at once for the particular case or cases in which there had been no choice, until a choice be made.

### ARTICLE V.

#### INITIATION FEES AND DUES.

SECTION 1. The following shall be the initiation fees:

(a) By a fellow-at-large on admission, without becoming an associate, \$25.00.

(b) By an associate-at-large on becoming a fellow, \$15.00.

(c) By an associate-at-large on admission, \$10.00.

SEC. 2. No initiation or admission fees shall be exacted from state or district societies in respect to members joining the association through such societies as provided in article II of the constitution of this association.

SEC. 3. The following shall be the dues for each fiscal period ending August 31:

By each fellow-at-large, \$10.00.

By each associate-at-large, \$5.00.

By each society fellow, \$5.00.

By each society associate, \$2.50.

SEC. 4. Such dues shall be due and payable annually in advance on September 1 of each year, or at the date of a member's election or admission to membership; and until such payment thereof, no certificate of



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membership shall be issued. Such dues shall be apportioned in the first instance to the end of the fiscal year, namely, August 31.

SEC. 5. No affiliated society or member-at-large of the association shall be permitted to vote or be entitled to representation at any meeting thereof when dues are sixty days in arrear.

SEC. 6. No state or district society shall be assessed for dues upon any member who elects representation through another society or as a member-at-large.

### ARTICLE VI.

#### RULES OF CONDUCT.

1. No member shall allow any person to practice in his name as a public accountant who is not a member of this association, in partnership with him or in his employ on a salary.

2. No member shall directly or indirectly allow or agree to allow a commission, brokerage, or other participation by the laity in the fees or profits of his professional work.

3. No member shall engage in any business or occupation conjointly with that of a public accountant, which in the opinion of the Board of Trustees is incompatible or inconsistent therewith.

4. No member shall certify to exhibits, statements, schedules, or other form of accountancy work which have not been verified entirely under the supervision of himself, a member of his firm, one of his staff, a member of this association or of a similar association of good standing in foreign countries.

5. No member shall in his business advertisements use any initials as an affix to his name that are not either authorized by statutory enactment of this country or by the well-known associations established for a similar purpose in the British Empire, nor shall he affiliate with or substantially recognize any society that is designated or in any way sets itself out to be a so-called certified public accountant society, unless the state in which such society is organized has the requisite statutory enactment in full force and effect.

6. No member shall take part in any effort to secure the enactment, alteration or amendment of any state or federal law affecting the profession without giving immediate notice thereof to the secretary of this association, who in turn shall at once advise the secretary of the state or district society concerned.

### ARTICLE VII.

#### SUSPENSION AND EXPULSION.

SECTION 1. A state or district society renders itself liable to be expelled from the association or to be suspended for a term not exceeding two years by resolution of the Board of Trustees sitting as a trial board,

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if, after election to membership, it (a) lowers its standards of admission to membership; (b) fails to maintain its organization; (c) fails to pay its dues; or (d) refuses or neglects to give effect to any decision of this association, of the Board of Trustees or of the Committee on Arbitration.

SEC. 2. A member renders himself liable to be expelled from the association or to be suspended for a term not exceeding two years by resolution of the Board of Trustees sitting as a trial board, if (a) he infringes any part of the rules of conduct of the association, (b) is convicted of felony or misdemeanor, (c) is finally declared by a court of competent jurisdiction to have committed any fraud, (d) is held by the Board of Trustees on the written complaint of any person aggrieved, whether a member or not, to have been guilty of any act or default discreditable to the profession, (e) is declared by any competent court or commission to be insane or otherwise incompetent, or if (f) he fails to pay any subscription, dues, assessment or other sum owed by him to the association within three months after such debt has become due.

### ARTICLE VIII.

#### TRIAL BOARD.

SECTION 1. For the purpose of adjudicating complaints or charges against members of the association as provided in article VII the Board of Trustees shall convene as a trial board.

SEC. 2. Due notice shall be mailed to the parties to the cause by the secretary at least thirty days prior to the proposed session.

SEC. 3. A three-fourths vote of those trustees present shall be necessary to a decision.

SEC. 4. The Board of Trustees (sitting as a trial board) may in the exercise of its discretion recall, rescind, or modify any resolution for expulsion or suspension at a meeting similarly called and convened by a like majority vote as required in section 3 of this article, provided that not less than three-fourths of the members constituting such board shall have been of the board that issued the decree then being reconsidered.

SEC. 5. Written notice of any resolution for expulsion or suspension shall forthwith be sent to the member affected thereby and to the secretary or secretaries of the state or district society or societies with which such member is affiliated or in which state he has his domicile or place of business.

### ARTICLE IX.

#### RULES OF ORDER.

SECTION 1. The rules of parliamentary procedure as laid down in "Roberts' Rules of Order" shall govern all meetings of the association.



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